DELIVERING



FOR LIFE

PART I

Integrated Management Report

galp

This document is the PDF/printed version of the Annual Report 2023 of Galp Energia, SGPS, SA. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is available on the CMVM website at https://www.cmvm.pt. In case of discrepancies between this version and the official ESEF package, the latter prevails.

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About the report

Galp's integrated report provides a global account of the activities from which we create economic value.

This report comprises five parts that together form the 2023 Integrated Report. They are as follows:

I. An Integrated Management Report (IMR), which includes key elements of Galp's strategic framework, together with the operational, financial and sustainability performance for 2023, as well as the main themes related to corporate governance and risk management;

II. A Sustainability Journey booklet, which provides a more detailed insight into our sustainability performance and practices;

III. The Corporate Governance Report, which details Galp's governance model and practices;

IV. The Consolidated and Individual Financial Statements of Galp Energia, SGPS, SA;

V. Appendices.

2023 Integrated Report				
Part I	Part II	Part III	Part IV	Part V
Integrated Management Report	Sustainability Journey	Corporate Governance Report	Consolidated and Individual Financial Statements	Appendices

Reporting standards and guidelines

This report has been prepared according to the applicable standards and internationally recognised guidelines, namely:

- International Financial Reporting Standards (IFRS);
- Guidelines of the Portuguese Commercial Companies Code (CSC) relating to the content of the management report, including those pertaining to reporting non-financial information introduced by Decree-Law no. 89/2017 of 28 July;
- Model for reporting non-financial information by issuers of securities listed on a regulated market recommended by the Portuguese Securities Market Commission (CMVM);
- Provisions of the Portuguese Securities Market Code (CVM) and of the Portuguese Securities Market Commission (CMVM) Regulation no. 4/2013 referring to annual corporate governance reporting and taking into account the Corporate Governance Code of the Portuguese Institute of Corporate Governance;
- Provisions of the CVM for reporting payments made to public administrations;
- Value Reporting Foundation (VRF) guidelines for integrated reporting;
- Global Reporting Initiative (GRI) guidelines, GRI Standards 2023 version, in the "reference to the GRI Standards" option, including the GRI 11 Oil & Gas sector standard (link here);
- Sustainability Accounting Standards Board (SASB) for Oil and Gas, including Exploration & Production, Midstream and Refining and Marketing Standards (link here);
- Recommendations from the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board (FSB) concerning disclosure of climate-related financial risks (link here);
- United Nations Global Compact (UNGC) principles (link here);
- World Economic Forum, Measuring Stakeholder Capitalism metrics and disclosure (link here);
- Sustainable Development Goals (link here);
- Principles of inclusion, materiality, responsiveness and impact set out in the AA1000 Accountability Principles Standard (AA1000AP 2018) relating to sustainability information.

Non-Financial Reporting Directive

Value Reporting Foundation



Global Reporting Initiative



United Nations Global Compact



Sustainability Accounting Standards Board



Task Force on Climate related Financial Disclosure



WEF Measuring Stakeholder Capitalism



Galp's financial statements were prepared in accordance with IFRS standards, with the cost of goods sold and raw materials used valued at Weighted Average Cost (WAC).

When prices of commodities and raw materials fluctuate, the use of this valuation method may lead to volatility in results through gains or losses in inventories, without reflecting the actual operating performance of the Company during the period. This effect is called the inventory effect. Other factors which may influence results are special items, such as gains or losses from the sale of assets, extraordinary taxation and mark-to-market of financial hedges, as well as non-recurring events, which may not reflect the Company's true performance.

To provide a better assessment of the Company's operating performance excluding the aforementioned effects, Galp also discloses its consolidated results on a Replacement Cost Adjusted (RCA) basis, excluding special items and the inventory effect, the latter item due to the fact that the cost of goods sold and raw materials consumed was determined using the Replacement Cost (RC) valuation method. Galp's IFRS results are audited. RC results are reviewed by the auditor, while RCA results are neither audited nor reviewed.

Regarding non-financial information, the information consolidation and reporting methodology covers all activities in which Galp has an interest of 50% or more and when it has operational control. Where relevant, this report also includes information on non-controlled activities in which Galp holds a minority interest.

Galp submits the contents of this report to an external, independent and certified assessment. The scope of work of Galp's Statutory Auditor/Certified Accounting Entity, Ernst & Young Audit & Associados, SROC, S.A., for the Integrated Report is as follows:

Financial statements	Non-financial information	Corporate governance information	Other information
Statutory and auditor's report on the audit of the consolidated and individual financial statements	Verification of the inclusion of non-financial information required under Decree-Law no.º 89/2017 of 28 July	Verification of the inclusion of the elements of the corporate governance report referred to in article 29º-H of the CVM	Verification of the consistency of the management report with the financial statements

With regard to the non-financial information disclosed in this Report, on our website and in the Global Reporting Initiative (GRI) Standards and TCFD Recommendations (link here), the independent assurance report is issued by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., which provides reasonable assurance on the Carbon Footprint (Scopes 1 and 2) 2023, and limited assurance on the remaining non-financial information. Galp also publishes additional and detailed non-financial information on its corporate website (link here).

Galp intends to establish constant and inclusive dialogue with its stakeholders. You may send your opinion on this report and pose any questions to the Investor Relations team using the following contact details:

Galp Energia, SGPS, S.A.
Investor Relations
Tel.: +351 217 240 866
E-mail: investor.relations@galp.com

Message from the Board of Directors

Paula Amorim

Chairman

During 2023, the geopolitical landscape became even more complex and fragmented. Europe was still engulfed in war and there was an escalating conflict in the Middle East. Inflation in the West remains elevated, leading to sticky interest rates at levels too high for indebted economies and households.

Energy security remains a priority in this challenging environment. While gradual decarbonisation of our economies is of paramount importance, we need to work together as a society to create the right environment to supply our population with affordable energy as we accelerate investment in renewable technologies.

In their ever-evolving business dynamics, companies must remain nimble, and quick to adjust their strategies and capital allocations, whilst keeping their portfolios resilient and balance sheets strong.

At Galp, we remain focused on maximising value throughout our integrated value chain. Our competitive and long-life upstream portfolio has now been reinforced by exciting exploration opportunities. Upstream will continue to play a key role in funding the transformation of our downstream portfolio to sustainably deliver energy to our customers and respond to the medium and longer term needs of the communities we serve.

Our current investment plan underpins this direction of travel, enabling Galp to continue to grow while delivering the credible transformation and decarbonisation of our industrial assets and energy supplies.

Filipe, who has played a key role in Galp's trajectory over the past decade, has now successfully completed his first full year as CEO. The Board of Directors was also reinforced with experienced executives at the last Annual General Shareholders' Meeting. The strategic oversight and strong capabilities and collaboration of Galp's leadership are our Company's core strengths and will be fundamental to the successful implementation of our ambitious plan.

Galp's outlook for 2024 and beyond remains encouraging. It is supported by our unique portfolio, which offers plenty of value opportunities to be de-risked and developed. As always, our responsible and rigorous financial management will be part of that journey. Improved operational efficiencies provide us with the resources to continue to invest in growth and transformation while ensuring competitive rewards for our shareholders.

The Board will propose to the Annual General Meeting a dividend of €0.54 per share relating to the 2023 fiscal year, in line with our growing dividend policy. In addition, as defined by our capital allocation guidelines, a share buyback program of €350 m was recently launched for execution during 2024.



Confidence radiates from our sound strategic decisions, the discipline that has got us to where we are today, as well as from the opportunities we see ahead. Our collective achievements are essential in order to create lasting value for society and shareholders.

I would like to express my gratitude to all my Galp colleagues and congratulate them for their tireless efforts to continue transforming the Company to embrace the future.

I also wish to extend a special appreciation to our valued customers and collaborative partners, and express my sincere gratitude to our shareholders for their continued trust and support.



Paula Amorim
Chairman

Message from the Board of Directors

Filipe Silva

CEO

We compete on a daily basis with the very best energy companies worldwide, almost all multiple times larger than Galp. Our success and our right to win depends on moving fast. To ensure this, we aim to hire and retain the best talent, serve our clients better, seek out the best partners, and focus on the most competitive assets worldwide.

We have to work harder and faster than our competitors, whilst operating under the strictest safety standards to ensure we can all go home safely and sound at the end of each day.

We will continue expanding our businesses across the energy value chain, and explore our competitive advantages as a small and agile company. Our portfolio decisions will continue to prioritise investment in higher return opportunities and those which consolidate our integrated business model.

We need more green electrons to feed our own industrial operations, our electrolysers, and to serve our power clients. Some of those electrons will be generated in-house, through our sizeable Iberian renewable platform. Our successful energy transition strategy relies on being able to decarbonise our own industrial assets and being ready to offer our clients ever-lower carbon molecules.

We are very proud of our growing upstream and downstream businesses. Upstream will continue to be our cash engine for many years to come and will support our ambitious investment plan. Remarkably low break-evens and carbon intensities will enable us to continue to grow based on projects already in-house. Bacalhau is one such project, and we are glad to see its execution now on track.

We recently confirmed the existence of a high-quality hydrocarbon system in Namibia, thus creating the basis for what could become another major growth avenue for Galp.

We took bold final investment decisions to proceed with a large industrial unit in the Sines refinery for the production of SAF and HVO, as well as for one of the largest electrolyser projects sanctioned until today in Europe for producing green hydrogen.

We are happy to see that our Commercial division's offer of new low carbon products and services has been a success. Also, our convenience offering and EV charging platforms have experienced rapid and profitable growth. With the full support of our Energy Management team, we are now delivering an integrated and competitive suite of energy products to our B2B clients.

We have a great team and a supportive Board of Directors. I am confident that together we will create a more sustainable future and deliver the competitive energy our communities need.



Filipe Silva
Chief Executive Officer

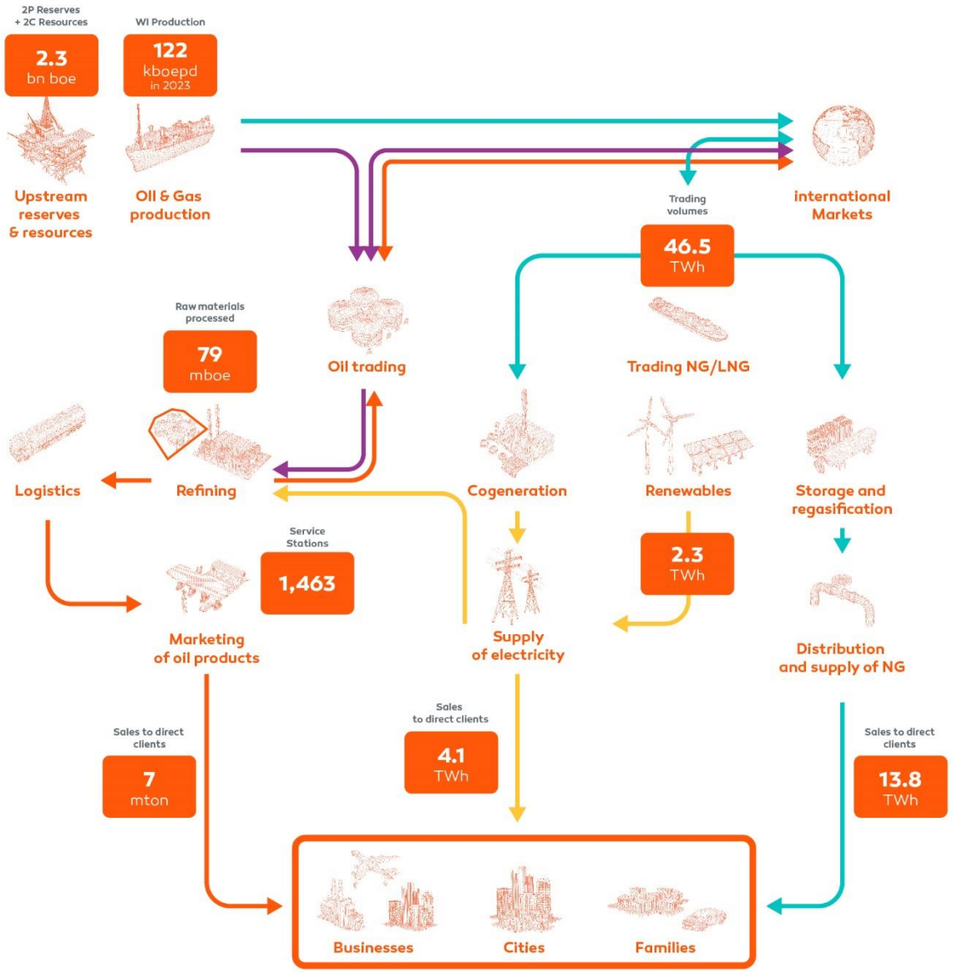




DELIVERING ENERGY FOR A NEW WORLD

1. Galp world

1.1 **Galp's assets worldwide**





1. Portugal
2. Spain
3. Brazil
4. Mozambique
5. Angola
6. Cape Verde
7. Guinea-Bissau
8. S. Tomé and Príncipe
9. Namibia
10. Kingdom of Eswatini

Upstream · Industrial & Midstream · Commercial · Renewables & New Businesses



Upstream

Galp has 19 upstream projects in different phases of exploration, development, and production. Galp's development projects include two of the largest oil and natural gas discoveries of the last decades, located in the pre-salt of the Santos basin in Brazil, and in the Rovuma basin in Mozambique. Other exploration assets are located in Namibia and São Tomé and Príncipe.



Industrial & Midstream

The Industrial segment includes the refining, logistics, biofuels, and cogeneration activities in Iberia, as well as the upcoming transformational green hydrogen project. The Midstream segment comprises the supply & trading activities of oil, gas and electricity focused on value maximisation across the integration of the businesses and its value chains.



Commercial

Galp's Commercial business provides a complete, integrated and client-centric offer, ranging from oil products, gas and electricity to companies and retail customers in different geographies. This division also includes the electric mobility and decentralised solar businesses in Iberia.



Renewables & New Businesses

The Renewables & New Businesses unit includes under its Renewables segment the renewable energy generation portfolio, which is currently focused on Iberia; and a lithium conversion project under its New Businesses segment. In parallel, the unit continuously identifies, assesses, and develops new value creation business opportunities in the energy space.

1.2 Value creation

2023 Inputs

€14.6 bn cost of goods sold
€2.2 bn supply and services
€1.1 bn capital expenditure
€450 m salaries and benefits

9.1 million m³ raw water
1,506 TJ electricity purchased
25,382 TJ consumed primary energy
€31 m investment in energy-efficiency in refining

7,054 employees
3,195 women
52 nationalities
10 countries
392 hires
223,711 hours of training

117 relevant partnerships
3,574 suppliers
75% local purchases
98% local hiring
8,937 volunteer hours
€31 m innovation and R&D

Business segments

Upstream
4 countries with a core position in Brazil
19 projects
621 mboe 2P reserves
1,653 mboe 2C contigent resources
122 kboepd WI average production

Industrial & Midstream
226 kbpd refining capacity
79 mboe processed raw materials
14.8 mton oil products supply
91 MW cogeneration capacity

Commercial
7.1 mton total oil product sales
1,463 service stations
14.0 TWh total NG/LNG sales
4.1 TWh total electricity sales

Renewables & New Businesses
Key solar player in Iberia
2.4 TWh renewable energy generated
1.4 GW installed capacity for renewable generation
271 ktonCO$_2$ avoided emissions

2023 Outputs

€20.8 bn turnover
€3.6 bn RCA Ebitda
€2.3 bn Adjusted operating cash flow
0.4x Net debt / RCA Ebitda
€1.0 bn RCA Net income attributable to Galp shareholders

2.4 TRIR total recordable incident rate
1 fatality
76% engagement level
100% employees assessed
9.4% turnover
6.3% absenteeism
€9.3 ROI on human capital

6.1 million m³ waste water
5 containment losses that reached the environment
0.07 Tier 1
0.21 Tier 2 process safety events rate
74 million m³ (Flaring) – Upstream equity
29 kton waste generated
53% waste recovered
3.0 mton CO_2e – scope 1
0.01 mton CO_2e – scope 2

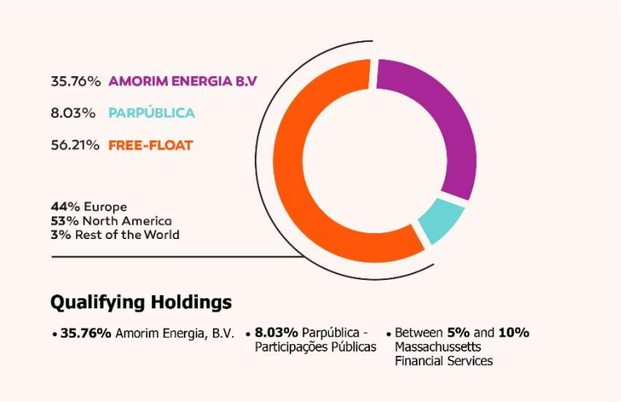
€34 m community investment
€2 m in relevant partnerships with sector entities and associations
107 R&D projects
94 clean R&D projects
54 whistle-blowing reports received
80% resolved

1.3 **Galp in the capital markets**

Shareholder structure

Galp has been listed on Euronext Lisbon since 23 October 2006.

At the end of 2023, Galp's share capital comprised 773,082,725 ordinary shares, of which c.92% are listed on Euronext Lisbon. The remaining 8% are unlisted and held indirectly by the Portuguese State through Parpública – Participações Públicas, SGPS, S.A. (Parpública).



All shares grant the same voting and economic rights. At the end of 2023, c.36% of the Company's share capital was held by Amorim Energia, B.V., while the remaining free float was held by institutional investors from 30 countries. For more details on the shareholder structure, please refer to Part III of this report – Corporate Governance Report, or our website (link here).

Galp share performance

At the close of 2023, Galp had a market capitalisation of around €10.31 bn, in line with 2022. The total shareholder return (TSR) during the year, considering the share price evolution and the dividends distributed, was 10.8%.

Galp's share performance 2023 (€/share)



Source: Bloomberg

Share price @ 31 December, 2022	€12.61
Share price @ 31 December, 2023	€13.34
Minimum share price during 2023	€9.71 @ 15 March
Maximum share price during 2023	€14.79 @ 18 October
Average daily shares traded[1] (all trading venues)	8.25 million shares
Average daily shares traded on Euronext Lisbon stock exchange	2.1 million shares

[1]Source: Bloomberg

Analysts' coverage

The Galp share is currently followed by 22 financial analysts, who produce their research analyses on the Company, as well as estimates for future results. As of 31 December 2023, the average price target of Galp share was €14.78, with 15% of the analysts recommending purchasing, 50% holding and 35% selling. All information related to Galp's stock recommendations and target prices issued by the various institutions can be consulted on our website (link here).

Dividends and share buybacks

Galp's Board of Directors will propose to the 2024 Annual General Shareholders Meeting (AGM), to be held on 10 May, a dividend of €0.54/share, paid in cash, related to the 2023 fiscal year. In addition, the Board is to execute a share buyback of €350 m, throughout 2024, for the purpose of reducing the issued share capital of the Company. During 2023, Galp executed a €500 m buyback programme. This took place between February and December and resulted in the repurchase and cancellation of 42,028,823 own-shares.

Participation in the 2023 Annual General Shareholders Meeting

The Galp 2023 Annual General Shareholder Meeting was held on 3 May and the main items on the agenda were: the election of the Board of Directors, Audit Board and Statutory Auditor for the four-year period (2023-26) and the election of Ana Perestrelo de Oliveira, José Costa Pinto and Sofia Leite Borges to the Board of the General Meeting for the four-year period (2023-26).

In addition, the integrated management report and consolidated accounts and other financial statements for the 2022 fiscal year were approved, as well as the proposal for the allocation of the 2022 results. The Board of Directors, the Audit Board and the Statutory External Auditor's performance during the 2022 fiscal year was also assessed.

The Remuneration Committee for the 2023-26 period was elected, and its respective remuneration and regulations approved. Moreover, a decision was taken on the Remuneration Committee's statement on the remuneration policy for the members of the corporate bodies, as well as on granting authorisation to the Board of Directors for the acquisition and sale of own shares and bonds or other own debt by the Company and its subsidiaries' instruments. The amendment of Article 10, paragraph 4 of the Company's By-Laws was also approved.

Finally, there was a resolution to reduce the Company's share capital to 9% of its current share capital by cancellation of own shares. 1,605 shareholders, representing 669,895,828 shares, or 82.18% of the Company's share capital attended or were represented at the General Meeting. All proposals submitted for deliberation were approved.

Information to the bondholder

Name	ISIN	Date of Issue	Maturity	Amount	Coupon	Yield at end of year (%)	Var. from pricing (bp)	Place of Translation
Galp 2.000% 01/2026	PTGALCOM0013	18/06/2020	15/01/2026	€500 m	2.000%	3.7	514	Euronext Dublin



1.4 **Our brand**

Galp is an integrated energy brand that strives to maintain credibility while also strengthening its role in innovation and energy transition.

Today, Galp has a strong global presence, with a brand value estimated at €1.9 bn.

Galp defined two major brand positioning pillars:

- Proximity to the communities in which it operates;
- Alignment with energy transition and the search for new ways to create value for both private and corporate clients.

Galp's brand is increasingly integrated, incorporating businesses such as solar and electric mobility.

Consolidating Galp as a reference brand in Iberia constituted a major goal in 2023. An ambitious plan that included renovating shops, improving customer experience and strengthening our sustainable offer has been implemented, together with a strong presence at various events.

In the Portuguese market, specifically, the brand strengthened its ties to communities by participating in events like Rock in Rio and continuing its support for the Portuguese National Team in the football World Cup.

To showcase the breadth of its business, the campaign "Thinking Outside the Car" illustrated the diversity of services within the Galp World, conveying a message of sustainable mobility and increasing awareness of the energy transition.

Innovation remained a key focus, highlighted by the introduction of the first Smart Store in Portugal, the launch of the new Pluma, and active participation in strategic events such as the Web Summit.

These initiatives successfully enhanced the Company's innovative and transformative positioning by fostering closer relationships with stakeholders:

- 81% of people in Portugal recognise Galp as one of the reference brands in the energy sector;
- Two-thirds of the Portuguese market consider Galp to be a trusted brand.

However, our strong presence within communities was not exclusively Iberian. In Brazil, we participated in the Rio Oil and Gas event. We also sponsored a festival for the first time in Africa - the Luju Standard Bank Food & Lifestyle Festival in Eswatini, and in Mozambique, we launched the new Frota Corporate card and a new website.

The brand's strength lies in its global vision of the future and its ability to innovate every day. A message Galp will continue to convey through its brand territories.

Building a powerful brand

Our commitment to excellence has woven a narrative that transcends day-to-day operations. It is a story of an enduring brand, partnerships, and shared aspirations, where the trust placed in us by our clients and business partners serves as the foundation for our success.

The Galp brand reflects an incessant search for quality, reliability and innovation that defines all of our efforts. It is the result of years spent creating products, services and experiences that respond to the needs of the customers and communities we serve and in whose lives we have a presence.

The recognition we garner as a brand is a testament to the unwavering dedication of our teams and our impact on the communities with which we engage.

The increase in brand value, from €1.7 bn to €1.9 bn, is a testimony to the recognition of our commitment to excellence and to our communities. It is a sign of our ability to adapt, evolve and lead in an ever-changing world.

DELIVERING ENERGY FOR CHANGE



2. Strategic framework

2.1 How we see the energy market evolving

Emerging from a period that was characterised by substantial supply chain disruptions and elevated price volatility, the energy industry continues to face challenging market dynamics and an uncertain macroeconomic environment. This is further intensified by recent geopolitical events.

Sustainable long term value creation and decarbonisation remain key imperatives. This requires credible strategies in a progressive and pragmatic manner, balancing continuous investments in low-carbon solutions whilst addressing concerns related to the security and affordability of energy supply.

Acknowledging this volatile and disruptive environment, Galp's energy beliefs continue to reflect Company-wide views on the future of the energy sector and provide the backdrop of our strategy:

- Challenging market dynamics place a sharper focus on the energy 'trilemma' - sustainability, security, and affordability – in terms of both the energy supply and the resilience of its respective supply chains.
- European oil and gas demand is forecast to peak over the current and the next decade, respectively, but both are still required to safeguard energy supply and affordability as the transition unfolds.
- Energy molecules are projected to continue playing a key role in energy supply, especially in non-electrifiable and harder to abate sectors, where oil products will be progressively replaced by sustainable fuels.
- The European refining system is expected to experience ongoing pressure following strict environmental regulation, decreasing oil demand and increasing carbon costs. This will lend urgency to its decarbonisation, transformation, and top of the class operational performance in order to ensure its critical role in regional supply.
- Global electrification is predicted to speed up and will be increasingly powered by large scale solar and wind renewable energies, backed by an expansion of the value chain of batteries. This is needed to foster the acceleration of electrified transportation and support the significant increase in demand required to develop large-scale low carbon industrial solutions.
- Biofuels, renewable hydrogen, and other low carbon fuels are gaining traction. Regulation is expected to drive this forward, with transportation and other hard to abate sectors acting as propellers of demand.
- Regulatory support, fiscal stability, capital availability, infrastructures and technological maturity, feedstock and rare materials accessibility, as well as supply chain reliability, are recognised as key enablers of ambitious action and the pace of transition.



2.2 **Creating sustainable value**

Galp is actively managing its portfolio to ensure superior competitiveness when addressing the evolving energy demand in the context of global concerns related to climate change and energy security.

Our strategy aims to maximise long-term value creation. To do so, Galp is developing a selection of high-quality, resilient energy projects and increasing integration across the entire value chain, while at the same time considering a progressive decarbonisation by incorporating low-to-no carbon solutions.

This strategy is already being executed: Galp currently has one of the most efficient and competitive integrated energy portfolios in the industry. It is growing a sector-leading lower carbon Upstream portfolio, advancing its downstream transformation, both on the industrial and commercial fields, and has the largest-scale relative integration of renewable generation among its peers.

Moving forward, the strategy will continue to be driven by a responsible approach, balancing the long-term risk profile and profitability associated with the activities and projects we invest in with environmental sustainability and their overall social impact.

To ensure that Galp maintains its sustainability principles and resilience throughout different commodity environments, this strategic implementation follows disciplined financial management principles based on focused capital allocation guidelines.

A transition aligned with market demand

We believe we have an important role to play in supporting and promoting a just energy transition and meeting the energy needs of the communities we serve.

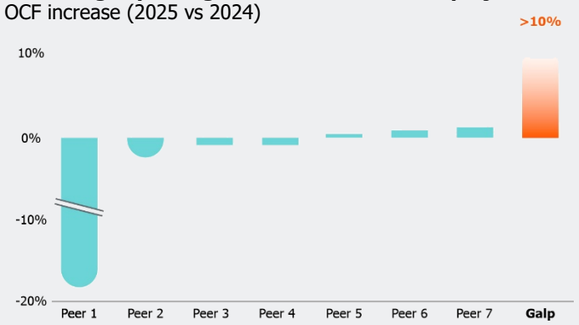
Galp will remain agile and adapt swiftly to evolving demand patterns and energy mix, while balancing this with our responsibilities towards society.

Galp is a key Iberian supplier. It operates the Sines refinery, the only plant of its kind in Portugal, relied upon to responsibly secure a safe energy supply in the region. The sustainability of this strategic site for the Company and for the region is being ensured by means of several initiatives and large-scale projects.

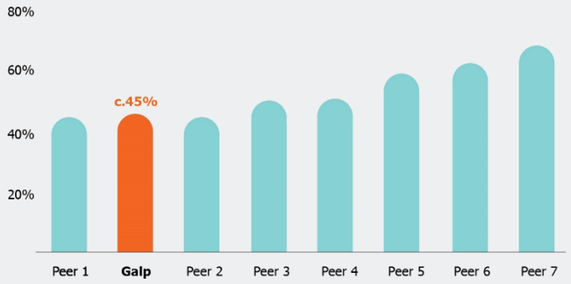
Given our regional scope, it is necessary to consider the different potential future energy demand profiles, namely in terms of the electrification rate and adoption of low carbon fuels.

Our commitment to decarbonise our portfolio will be contingent upon the rate of change in government policies, the evolution of the demand for traditional energy sources, shifts in consumer behaviour towards more sustainable options, and the capacity to secure the investment required to fuel the transition.

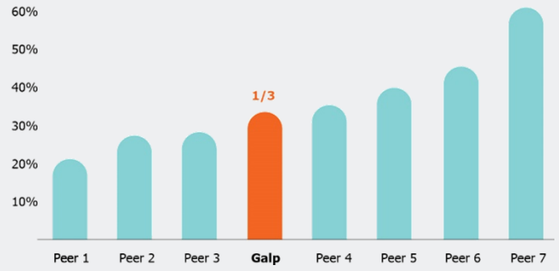
Delivering superior growth from sanctioned projects
OCF increase (2025 vs 2024)



Low capital-intensive and growth weighted plan
Net capex/OCF (avg. 2024-2025)



Driving competitive distributions
Distributions/OCF (avg. 2024-2025)



Source: Galp's view based on guidance. Sector estimates based on Visible Alpha consensus dated 7 February 2024.
Peer group considers BP, Eni, Equinor, OMV, Repsol, Shell and Total.

Disciplined growth and transformation

Successful implementation of key projects will be critical to ensure the growth and transformation of our portfolio.

We will strategically manage our Upstream business by selectively tapping new opportunities and consolidating a robust cash generator. This is fundamental to funding our transformation strategy. Galp aims to grow its upstream production through equity stakes in world-class projects to ensure high levels of competitiveness by replacing less competitive volumes while at the same time introducing the lowest possible carbon intensity oil barrels into the chain. Given the current long refining position, whereby Galp processes almost double the crude oil it produces in the upstream, this upstream growth may be fully integrated without increasing overall exposure to the hydrocarbon value chain.

We will gradually elevate the importance of our low-carbon businesses, which are expected to represent a substantial contribution by the end of this decade. This will primarily be achieved by transforming our industrial assets and reshaping our commercial businesses — which support the supplies and solutions delivered to our clients — as well as by integrating renewables.

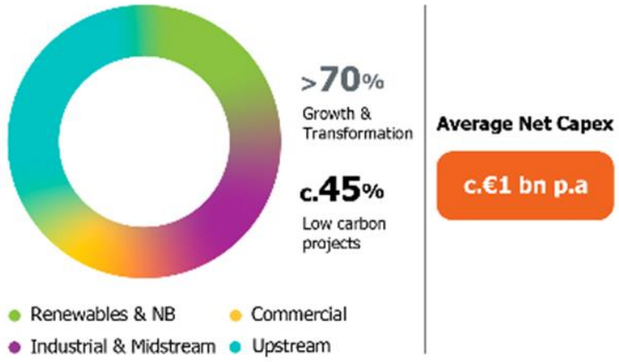
In our industrial activities, which make up the bulk of our carbon footprint, Galp aims to reduce its carbon footprint. The ongoing transformation is already delivering significant emission reductions. As part of this, Galp has taken important steps to reconfigure industrial activities and improve the energy efficiency of its operations, with relevant investments underway. These include integrating large-scale green hydrogen production and an advanced biofuels unit in Sines. Importantly, this transformation is intended to ensure our industrial long term competitiveness.

Galp's transformational journey is steered by strategic capital allocation and investment guidelines, and continuously reviewing its integrated portfolio with financial discipline and a strong focus on profitable growth. We are implementing risk reduction measures as we move forward in line with the European commitment to reach net zero emissions by 2050.

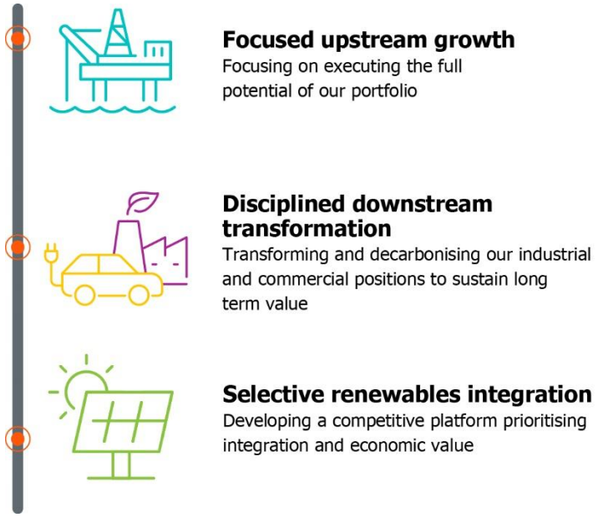
Over 70% of Galp's 2023-25 net capex plan is allocated to projects that will enable Galp to grow and transform — most of which have already been identified — and targeting competitive returns across the different business segments. In this plan approximately 45% of the total investments are estimated to be directed towards low-to-no carbon developments considered to be aligned with the energy transition.

It should be noted that, in addition to the categories eligible under the EU Taxonomy regulation, Galp also considers activities that may contribute significantly to mitigating climate change, such as investments in hydrogen, energy efficiency projects and the battery value chain.

Gross Capex 2023-25



Strategy implementation pillars



Focused upstream growth
Focusing on executing the full potential of our portfolio

Disciplined downstream transformation
Transforming and decarbonising our industrial and commercial positions to sustain long term value

Selective renewables integration
Developing a competitive platform prioritising integration and economic value

Focused upstream growth

While global oil demand is forecast to peak within this decade, it will remain a critical resource to ensure energy security and affordability whilst the transition evolves.

Galp holds a unique upstream portfolio with a set of operating projects which combine low breakeven (<$20/bbl), low carbon intensity (c.9 $kgCO_2e$/boe), and long life.

Our upstream strategy focuses on improving the efficiencies and recoverability of existing operating projects. We have identified projects to extract full potential from already discovered high quality resources. Our production is currently centred on the Brazilian pre-salt and the developments in the Rovuma basin in Mozambique. Working interest production is estimated to be stable at above 115 kboepd until 2026, when we expect to grow our production by 40 kboepd, based on the development of already approved projects.

In addition, Galp is de-risking the exciting exploration opportunities already in the portfolio. The Company will focus on the areas in Namibia and São Tomé and Príncipe, and act on high potential resources that may prove economically and sustainably feasible.

Overall, the upstream business remains a core pillar of Galp's strategy, both in its role as a growth and value accretive avenue and as an enabler of our portfolio transformation ambitions and overall decarbonisation journey.

Disciplined downstream transformation

Industrial & Midstream

Galp intends to continue its operations in its industrial site in Sines, transforming and decarbonising to reflect the needs of a lower carbon energy system and ensure longer-term viability.

Galp's commitment to ensure the energy supplies of the future is showcased by a recent Final Investment Decision (FID) on one of the biggest electrolyser projects in Europe for renewable hydrogen production, and on a large advanced biofuels plant to produce HVO and SAF. These projects will contribute significantly to the transformation and growth of the industrial sector in Portugal, and place Galp at the forefront of developing the low carbon solutions necessary for the energy transition. Successfully implementing these projects will be Galp's core focus, whilst continuing to explore additional opportunities within the sustainable fuels arena, supported by proven business cases.

This will run alongside ongoing transformation of the legacy refinery to decarbonise and increase our flexibility for different demand and macro environments, as well as a continued focus on operational performance, safety and reliability.

Midstream activities will assist Galp's transformation by adapting its supply and trading activities to support the needs of emerging value chains, integrating low carbon products, emissions offsets, and flow optimisation.

Commercial

Galp has a leading commercial position in the Iberian market. It covers all segments — from domestic to enterprise and industrial — with our offer catering to the evolving energy and decarbonisation needs of this broad customer base. Galp seeks to sustain and grow this position through ongoing commercial transformation. This focuses on transforming its network of service stations, electrification, decentralisation and digitalisation, and increasing the relevance of non-fuel businesses.

Galp aims to adapt its offer to the evolving energy landscape. By exploring non-fuel retail opportunities, Galp will be able to strengthen partnerships, introduce new services, and leverage digital features to enhance the customer journey. The goal is to reinforce its position as the market leader in Portugal, expand electric mobility networks to over 10k charging points across Iberia, and double the contribution from non-fuel and low-carbon activities by 2025, compared to 2021. Galp envisions an energy-connected ecosystem combining gas, power, and decentralised energy solutions.

Selective renewables integration

Already one of the largest producers of solar photovoltaic energy in Iberia, Galp continues to grow its renewables portfolio, prioritising returns over capacity build-up, and is pursuing the creation of a competitive platform to support integration across the value chain whilst meeting our envisaged portfolio returns.

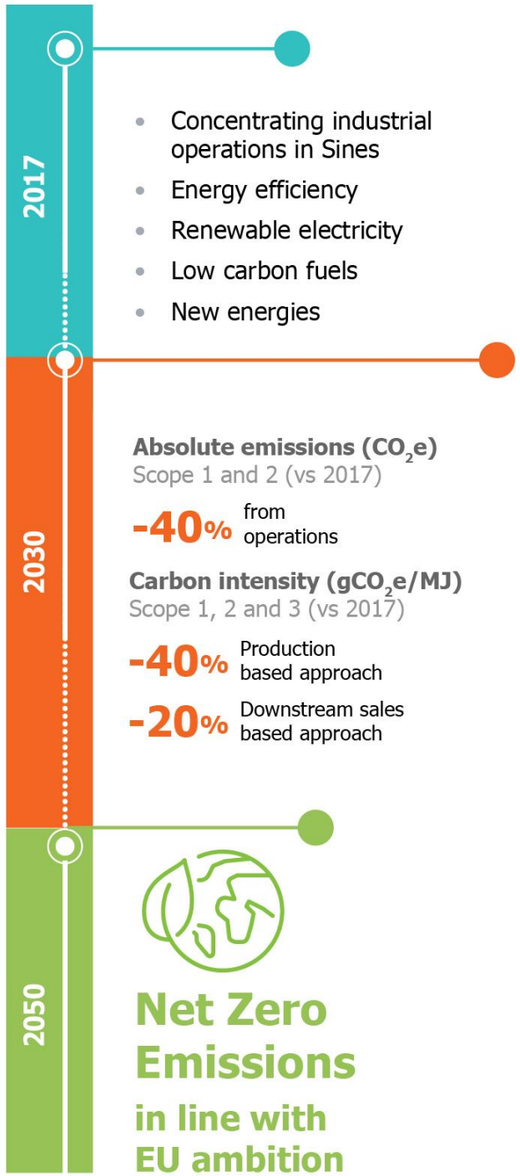
Galp seeks opportunities to optimise its exposure to large scale solar. The Company sees wind hybridisation as a pivotal strategy to maximise the value derived from its renewable power portfolio and potentiate its industrial needs from a closer to baseload generation profile.

Ongoing decarbonisation path

Galp has in place an ambitious but pragmatic energy transition strategy.

The carbon intensity performance of Galp's current portfolio is already one of the lowest in the sector. Our upstream portfolio has a carbon intensity close to 50% lower than the industry average, according to International Association of Oil & Gas Producers (IOGP). Adding to this, the integration of renewables at Galp is currently over four times superior to the average of the peers, in relative terms based on hydrocarbons production.

Starting from this vantage point, Galp sought to guide its transition journey using independent metrics which will reflect its progress towards a lower carbon future, focused on the gradual decarbonisation of our industrial operations and of the energy that we produce and sell. 2017 has been set as a baseline, as it marks the start of the diversification of our portfolio and commitment to the development of a transition strategy.



Key ESG ratings updated scores

Ultimately, Galp is committed to employing best practices across its businesses. Our commitment to sustainability is evident in our ongoing journey and Galp is consistently recognised as one of the most sustainable companies by some of the most distinguished entities.

B- ISS ESG
Prime

Top 3 (AAA) MSCI
Out of 22
Integrated O&G

Top Quartile SUSTAINALYTICS
Out of 60
Integrated O&G

B Climate **B** Water — CDP DISCLOSER 2023
Above the global average (C)
Above the global average (C)

86% Bloomberg Gender-Equality Index 2023
Member since 2019
83% in 2022

2.3 Approach to ESG

Galp actively develops solutions aligned with the energy transition, aiming for a highly sustainable economic portfolio with a clear environmental and social agenda guided by effective governance oversight.

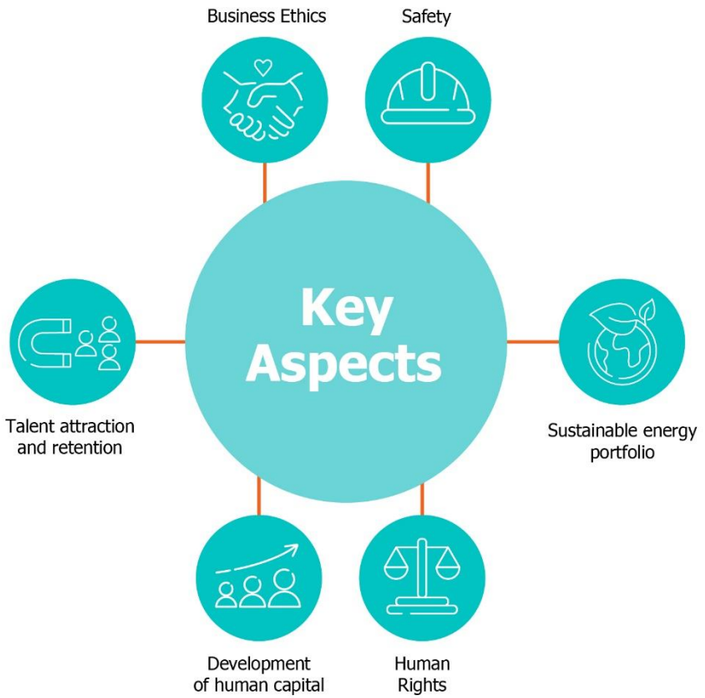
Our strategic direction includes sustainability as core principle. This is embedded in Galp's corporate culture, endorsed at the highest level by our Board of Directors, strategically led by our Executive Committee and top management, and developed every day by our people.

Acknowledging our responsibility in the energy transition, we have been actively forging partnerships and fostering dialogue with external stakeholders to accelerate fair transformation and progress.

Sustainability materiality assessment

We prioritise active communication with our stakeholders, with a crucial aspect being the ongoing materiality assessment process. Through this process, we identify the key sustainability concerns for our business by including the perspectives of our stakeholders. In 2023, we started a Double Materiality assessment process, incorporating the new EU Corporate Sustainability Reporting Directive (CSRD) requirements, for which we expect to have results by the second quarter of 2024.

For 2023, we considered the results of our latest materiality assessment where we identified six key aspects, all embedded in our Sustainability Roadmap and for which Galp has established goals and targets, with progress being monitored and publicly disclosed. More information can be found at the beginning of each chapter of Part II (Sustainability Journey) of this Annual Report.



Other relevant aspects

Corporate governance | Risk management | Research, technology and digitalisation | Product and service portfolio quality | Product and service innovation | Sustainable supply chain management | Tax strategy | Climate strategy | Circular economy | Operational eco-efficiency | Biodiversity and ecosystems | Water management | Security | Health | Work practices and conditions | Local community development | Citizenship and philanthropy

Sustainability Roadmap

In 2023, Galp continued implementing our Sustainability Roadmap. This roadmap, focused on five foundations, drives our principles and actions to realise our 2030 ambitions and is endorsed by our Sustainability and Executive Committees.

Sustainability as a Key Result

While revising our 2023-25 plan, we identified several initiatives to address relevant ESG issues across different businesses and teams, aligned with our key sustainability pillars.

The updated action plan is now integrated into a collaborative platform which is available to all Galp employees. This contributes to creating a workspace where each business unit can track progress in their Sustainability Roadmap initiatives.

From 2024 onwards, each business unit will have implementation of the Sustainability Roadmap as a Key Result. This clearly demonstrates the growing importance of these issues within the Organisation and for each business unit strategy.

For a comprehensive overview of each ambition, along with its associated targets, initiatives and our approach to sustainability, please see the Sustainability Journey chapter in Part II of this Annual Report.

2023 ESG Highlights

Environment

- Galp was able to cut its absolute emissions as energy markets' conditions stabilised. This enabled the Sines refinery to use natural gas, instead of the more energy intensive fuels used in 2022 as a value protective action, which had a negative impact on emissions. Coral FLNG also reached efficient operational emission levels as the commissioning phase was completed. The carbon intensity metrics also decreased YoY and in relation to their baseline, reflecting lower operational emissions, growing renewable energy production and sales.

- We took a significant step towards consolidating our nature conservation journey. We are developing the TNFD framework and piloting the LEAP risk assessment to gain a deeper understanding of the nature-related topics relevant to our activities and to take action. Moreover, we strengthened our position on biodiversity by approving the Group's Biodiversity Policy. We have also publicly communicated our commitments by joining the act4nature initiative led by BCSD Portugal.

- Galp launched a pilot project to develop a biodiversity action plan, outlining the measures and KPIs for achieving a Net Positive Impact.

- The performance in energy consumption and freshwater withdrawal demonstrates a consistent reduction over recent years, reflecting Galp's focus on implementing eco efficiency measures. On the other hand, the turnarounds at the Sines refinery and ongoing dismantling of the Matosinhos Industrial site significantly contributed to increased waste production and reduced processing of feedstock.

Social

- Galp has been developing a safety culture with increasing reporting across all businesses. Even though the overall safety performance decreased compared to 2022, having registered a fatality in Guinea Bissau as a result of road transport accident.

- We communicated our Diversity, Equity & Inclusion (DEI) strategy to the Organisation. This has four pillars: Gender, Youth, Social Impact and Disability. For each pillar, we established metrics and targets, which can be consulted in Part II – Sustainability Journey (3. Boost a just transition for all) of this report.

- Developing our employees' skills to prepare them for the energy transition challenges continued to be one of our top priorities. Galp provided more than 220,000 hours of training across all geographies and business units. This covered topics such as Safety, Environment, Human Rights, Digital & Innovation, Energy transition, Leadership, among others.

- Galp reached a significant milestone with the establishment of an internal team fully dedicated to the human rights' due diligence process. This strategic decision allows us to comply with the Company's human rights obligations across our operations and throughout the entire value chain.

Governance and Economics

- Our commitment to sustainability is reflected in our performance evaluation system, where ESG indicators influence variable remuneration for all employees. In 2023, safety and decarbonisation metrics comprised 25% of annual performance indicators for all employees and Executive Committee members.

  In addition, the implemented OKR (Objective Key Results) methodology had both the 2023 and proposed 2024 objectives focused on sustainability across safety, decarbonisation, renewables, cybersecurity, and employee engagement. This culminated in a new Key Result, from 2024 onwards, which reflects the Sustainability Roadmap implementation across all Galp business units.

- Ethics continued to be a key principle for Galp. We maintained the level of reporting through our Open Talk channel.

- To prepare for the upcoming EU CSRD requirements, Galp developed the Non-Financial Information (NFI) Improvement Plan to better manage sustainability-related information. This project, which will continue throughout 2024, delivered a Governance Model for NFI, an internal guide of all disclosures in line with EU CSRD, GRI, SASB and others, ensuring the implementation of an internal control framework for NFI and of a new IT system to monitor and control the reported sustainability information in an agile and auditable way.

- To ensure a resilient and transparent supply chain, we are conducting a program named "Sustainability4Supply". This project revolves around three primary objectives: enhancing our understanding of Galp's supply chain ecosystem, updating ESG criteria throughout the associated processes, and improving ESG supply chain assessment. This will be key to addressing the regulatory landscape, including the upcoming EU CSRD and the EU CSDDD proposal.

- Galp is currently in the top 5% of companies within the Global Energy Sector in terms of its Cybersecurity posture, indicating that it moved further up the ranking compared to the previous year. Also, in 2023, and for another year, Galp had zero significant cybersecurity breaches, once again showcasing our cyber resilience.

Galp's alignment with the Sustainable Development Goals

The United Nations 2030 Agenda outlines 17 Sustainable Development Goals (SDGs) that serve as a global blueprint for sustainable development. Galp is committed to contributing to these goals and has conducted an assessment to evaluate how its strategy and business activities align with and impact the SDGs.

Our evaluation involved mapping the SDGs to which Galp has the greatest potential to make a difference, aligning them with each foundation outlined in the Sustainability Roadmap 2030, and also identifying the key targets associated with each goal. These goals are categorised into three blocks based on their relative position in our activities: material SDG, direct SDG, and indirect SDG.

- **Material SDG**. These are the SDGs that align with our materiality assessment and are of greater interest to our stakeholders.
- **Direct SDG**. We directly influence and are impacted by these SDGs. Consequently, we closely monitor and respond to the associated indicators, and consistently strive to enhance our performance.
- **Indirect SDG**. Although they are categorised as indirect, these SDGs serve as pillars for many others. We acknowledge their significance and seek to influence them indirectly through our actions, and ensure they are not overlooked.

17 Partnerships for the goals

- Member of the WBCSD, BCSD Portugal and CDP Supporter
- Commitment to the 10 Universal Principles of the UNGC, TCFD and Zero Routine Flaring Initiative

13 Climate action

- Reduction of 40% of absolute emissions from operations (scope 1 & 2) by 2030
- Reduction of 40% of the production carbon intensity and 20% of all downstream sales carbon intensity by 2030

12 Responsible consumption and production

- €30.9 m real investment in 2023 in energy-efficiency projects in refining
- Acquisition of 100% renewable electricity in our operations in Portugal in 2023
- 9% of reused water in refining

Material SDG	Direct SDG	Indirect SDG
7 | 8 | 9 | 12 | 13 | 17	3 | 6 | 11 | 14 | 15 | 16	1 | 2 | 4 | 5 | 10



7 Affordable and clean energy

- 132,577 ton of biodiesel produced
- 2,338 GWh of gross renewable energy produced
- 63% of marketed electricity from renewable sources

8 Decent work and economic growth

- 98% of local hiring
- 13% of employees with less than 30 years
- 95% of employees covered by health safety insurance

9 Industry, Innovation and Infrastructure

- More than €180 m of innovation and R&D investment planned until 2025
- €31.3 m invested in innovation and R&D
- Founder member of the Singularity University Portugal and partner of the Heriot-Watt University

2.4 How we manage risk

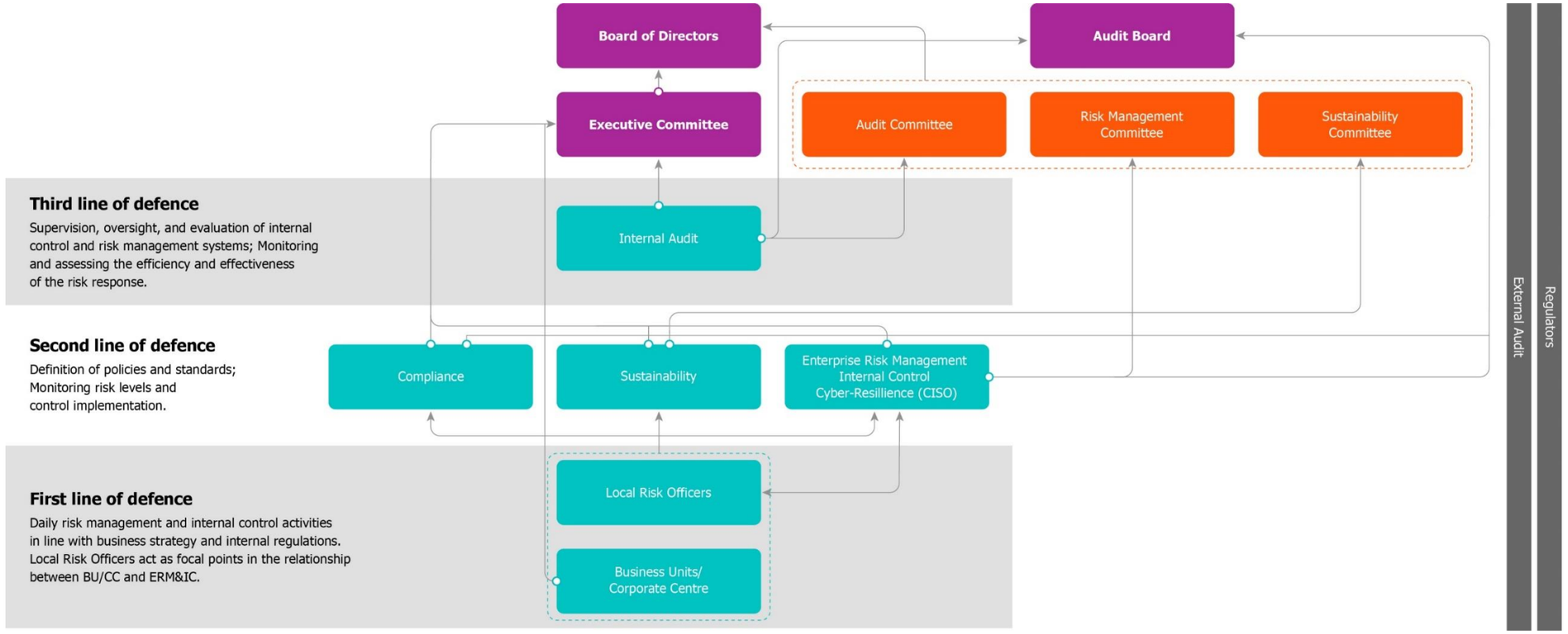
Risk Management Framework

Galp is exposed to a number of uncertainties in both the internal and external environments that are inherent to its activity, diversity, and the geographical dispersion of its businesses. This can trigger risks involving personal or process safety incidents, environmental impacts, damage to assets, damage to reputation, non-compliance failures, etc., which result in financial losses.

Implementing a risk management framework provides a holistic view of the main risks and opportunities faced by the Company. This makes it possible to manage them strategically in the context of its risk appetite, and increases the probability of achieving organisational objectives.

The management of these risks is based on a Risk Management model which follows internationally recognised standards and guidelines (ISO 31000 and COSO - Committee of Sponsoring Organisations of the Treadway Commission), and the three lines of defence risk governance model (represented in the figure). The aim is to promote integration between the Company's strategy, risk management, control implementation, and governance.

Risk management within Galp takes place according to a regulatory framework that encompasses a set of policies, standards, and procedures backed by the Risk Management Policy and the Risk Management Governance Model approved by the Board of Directors.



Galp's governance structure, procedures and systems support the Company in managing the risks to which it is exposed. Risk management is therefore an integral part of the decision-making processes.

The governance model is discussed in greater detail in Part III of this report - Corporate Governance Report.

Risk Management Process

Galp has developed a systematic and ongoing process for identifying, assessing, and managing risks and opportunities. This is carried out across the three lines of defence, and the aim is to provide reasonable assurance that the Company's objectives will be achieved, as well as creating and preserving value for stakeholders. This process encompasses the phases shown below:



The identification of risks and opportunities is based on an understanding of both the external and internal environments, assessing potential changes in these environments, and considering Galp's strategic and business objectives. It is conducted continuously in all businesses and activities, particularly when assessing a new investment project or business and in the Budget and Plan (B&P) risk analysis phase.

Based on the 2024 outlook, Galp conducted a risk assessment to identify risks that could impact the achievement of its strategic and business objectives for the year (presented in the table below and discussed in greater detail in Part III of this report - Corporate Governance Report).

Following the risk identification, Galp defines its risk appetite and conducts an assessment of risks based on probability of their occurrence and potential impact (financial results, shareholder value, business continuity, environment, reputation, quality, health and safety, and human capital).

Top Risks

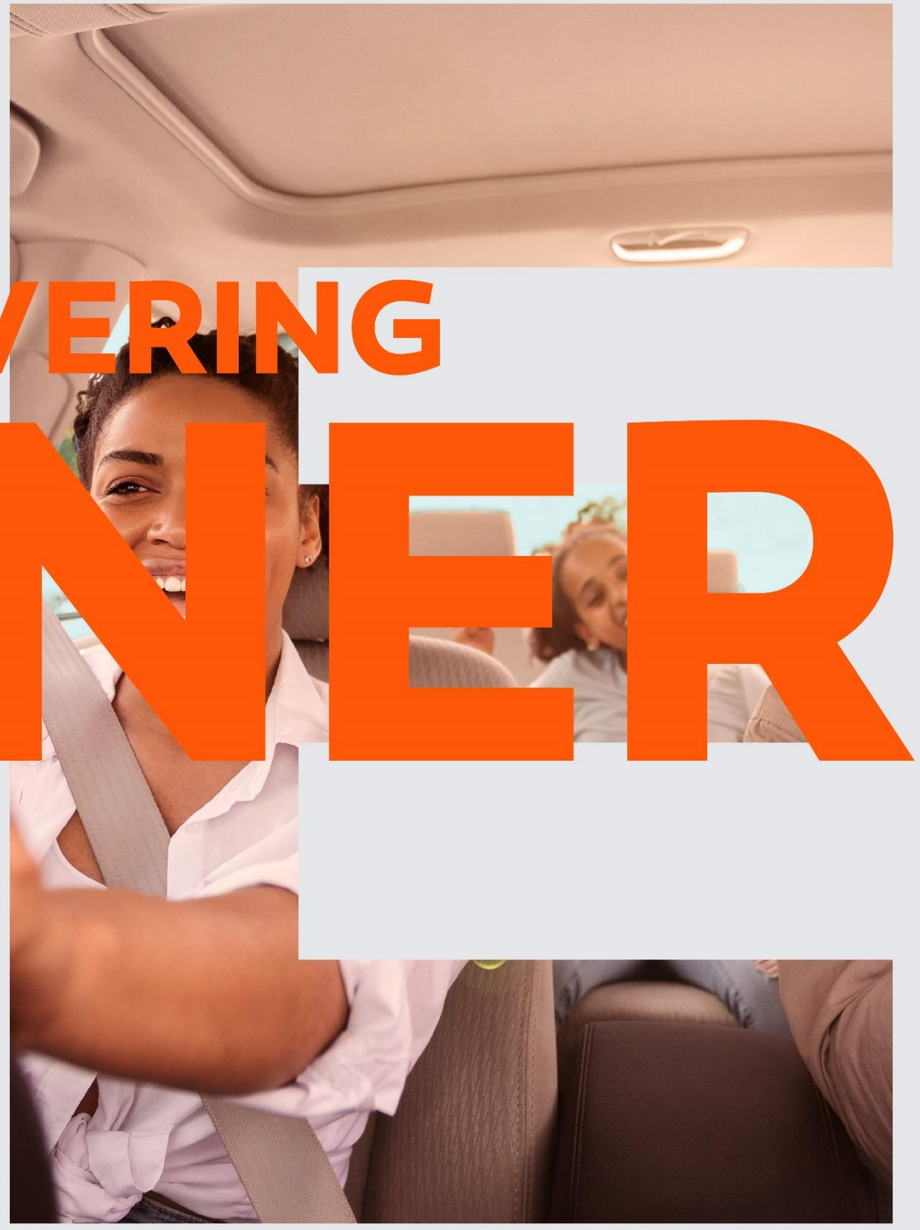


The risk levels presented correspond to inherent risk, which is the level of risk in the absence of controls or other response measures to reduce the probability of occurrence and/or impact of the risk.

More information on Galp's Risk Management Process can be found in Part III of this report – Corporate Governance Report.



	Risks	
Strategic	Climate Change	The physical risks (acute or chronic) associated with climate change may have a potential impact on Galp's activities and assets by causing damage or interruptions and delays in its operations. Transition risks (market, legal and regulatory, and technological risks) will lead to a change in consumer behaviour, reducing demand for O&G and potentially affecting their prices — which could jeopardise Galp's business model and require significant "green" investments to support the transition to lower-carbon businesses and avoid "stranded assets".
	Portfolio Performance and Valuation	Galp's sustainability depends on its ability to reshape its portfolio by focusing on opportunities to ensure a portfolio capable of creating long-term sustainable value, capitalising on the Company's existing competitive advantages (high quality assets), while diversifying and exploring adjacent synergies and opportunities aligned with market trends. This will enable it to meet its decarbonisation ambition at the pace demanded by the market.
	Reputation and Image	Actual or perceived governance failures (including money laundering, fraud, etc.) due to unethical behaviour by people, regulatory non-compliance, or lack of understanding of how Galp's operations affect communities and the environment, or how the Company is responding to expectations from customers, stakeholders, and society, namely, with regard to energy transition, could damage the Company's brand and reputation.
	Economic Context	Galp operates in a sector that is particularly exposed to the economic context, with supply and demand conditioned by the macro environment. This may harm its competitive position and financial performance, specifically if the Company is unable to respond adequately and in time to disruptive changes in the market. These include impacts of an adverse geopolitical context. Changes in exchange rates and uncertain path of inflation, which maintain pressure on interest rates, also pose a challenge to the liquidity of households and businesses.
	Innovation & Technology [emerging risk]	An inability to identify, capture and integrate new digital transformation trends, particularly in terms of automation and solving complex industrial challenges or developing new work practices that speed up processing times and reduce manual work, would affect Galp's efficiency, products and services time-to-market and its competitive position.
Financial	Commodity Price	Galp's business portfolio is exposed to volatility of the price of crude oil, natural gas, LNG, electricity, CO_2, and other raw materials. The variability of commodity and financial prices, resulting from macroeconomic, geopolitical, or technological factors that affect the dynamics of demand and supply, may have a material adverse effect on the value of Galp's assets, results and financial performance.
Operational	Sourcing and Supply	The significant increase of pressure on global and domestic supply chains, causing shortages of raw materials and labour, restrictions on production capacity and logistics, price increases, demand volatility, and a growing risk of cyber-attacks, may impact the fulfilment of supply commitments to its customers, and have a major impact on Galp's operations and its financial performance.
	Hazards & Catastrophic Loss	The nature, technical complexity, and diversity of Galp's Upstream and Industrial operations expose the Company and its communities to a broad spectrum of disruptive and unpredictable health, safety, security and environmental risks.
	Project Execution & Management	Implementation of Galp's projects is exposed to several risks (market, liquidity, political, legal, technical, commercial, climate and others) that may compromise compliance with budget, deadlines, defined specifications, and its operational reliability.
Legal & Compliance	Legal & Regulation	Galp is subject to a wide range of international laws and standards, either industry-specific or comprehensive, in the various countries where it operates. These regulations are changing at a rapid pace, and failing to meet national or international regulatory compliance requirements could impact the Company's reputation and financial performance. Additionally, part of Galp's activity is conducted in emerging or developing economies, with a relatively unstable legal and regulatory framework. This may lead to legislative and regulatory changes that can alter the business context in which Galp operates.
Information Technology	Cybersecurity	Most of Galp's processes rely heavily on digital systems and data. Any failure in the security of these systems, whether accidental (due to network, hardware or software failures), or resulting from intentional actions (cybercrime), or negligence (internal or due to service providers) may have severe negative impact in Galp's financials (through monetary fines and/or indemnities), operations, its customers and suppliers and on Galp's reputation.
People	Talent Attraction & Retention	Failure to monitor and measure critical points along employees' journey at Galp, or to ensure employee engagement and maximum productivity, while building a holistic culture around a new work model, could lead Galp to fail to attract and retain talent, compromise its ability to execute its strategy effectively and also impact its financial performance and reputation.



DELIVERING ENERGY FOR GROWTH

3. Business pillars

3.1 **2023 Highlights**

Angolan upstream assets sale

In early 2023, Galp signed an agreement with Etu Energias (formerly Somoil) for the sale of its upstream stakes in block 14 and block 32, in Angola, for a total consideration of $830 m. The transaction will be finalised in 2024 and allows Galp to crystalise value from mature upstream assets, supporting the high-grading of the portfolio and follows the Company´s transformation and decarbonisation strategic path.

Coral Sul FLNG reaches plateau

During the second half of 2023, the Coral Sul FLNG, deployed offshore Mozambique in Area 4, concluded commissioning and completed its ramp-up phase after start of production in late 2022. Now producing at plateau levels, the project is expected to continue to contribute approximately 9 kboepd net to Galp.

Bacalhau FPSO hull sail away and execution on track

Implementation of the Bacalhau phase I project remained on track across the various scopes. The project represents a large part of the upstream investments during 2023. In June 2023, the hull sailed away to Singapore for topsides integration. Subsea Umbilicals, Risers and Flowlines (SURF) and Drilling & Completion campaigns began in late 2022 and are well underway.



Spudding of exploratory campaign in Namibia

Throughout 2023, Galp prepared the current exploration campaign in PEL 83 offshore Namibia, securing key contracts and licences, and mobilising its forces to safely initiate a two back-to-back exploration wells campaign in November 2023. Already in 2024, the exploration activities in the two wells confirmed significant light oil columns and showcased evidence of positive reservoir characteristics in terms of porosity and permeability.

FID on two large scale projects to reduce the Industrial carbon footprint

Galp decided to move ahead with a 100 MW electrolyser project for the production of green hydrogen, one of the largest projects of its kind sanctioned in Europe so far, and a 270 ktpa advanced biofuels unit to produce HVO and SAF. These projects will make a significant contribution to the Portuguese industrial footprint and support Galp's transformational strategy to evolve its product offering in line with society's changing needs.

Largest planned turnaround of the past decade in the Sines refinery

During 2023, in line with the aim of improving security, efficiency, reliability, and to ensure the long-term value of its operations, Galp executed its largest planned turnaround of the past decade. The scope included all the key units, namely the Atmospheric Distillation unit, the Fluid Catalytic Cracking unit, and the Hydrocracker unit. The procedures were implemented safely.



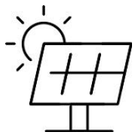


Continuing the Commercial transformation journey

In 2023, Galp opened 27 new hubs and performed retrofitting activities in 143 c-stores, aimed at transforming the current service stations towards innovative, multi-energy and convenience concepts.

At the forefront of meeting tomorrow’s energy needs

During 2023, Galp reinforced its position in electric mobility by more than doubling the number of installed charging points, reaching 4,827 points in Iberia. Currently, the Company owns the largest network in Portugal, with 3,954 points. These investments underpin Galp's commitment to deliver the energy of the future and respond to the evolving needs of our customers while leveraging the Company's convenience business.



Renewables portfolio diversification with wind & storage hybridisation

With 0.5 GW onshore wind hybridisation projects at an advanced stage of development, Galp has also taken the FID to install a utility-scale battery energy storage system pilot, both in line with our portfolio diversification strategy.

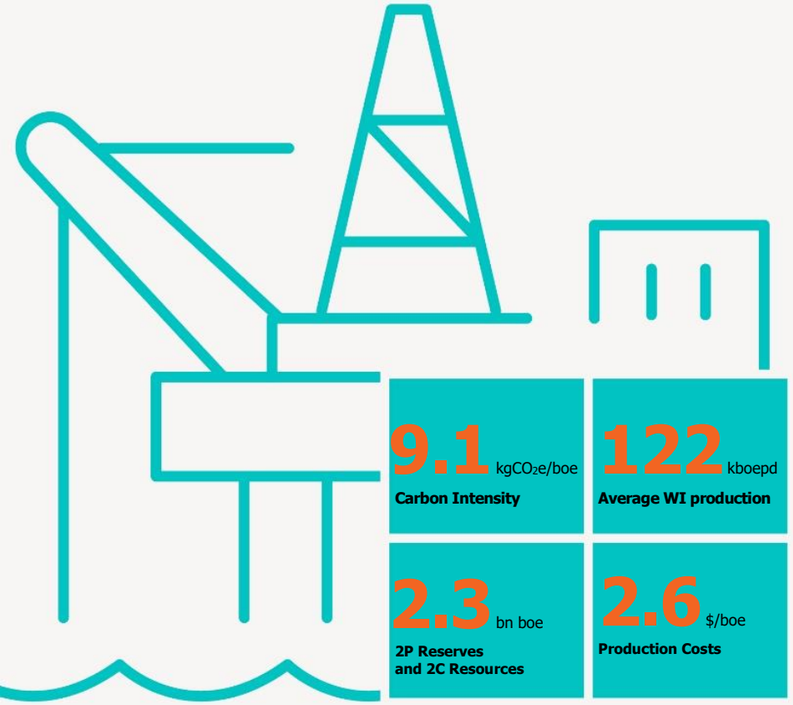
Assessing opportunities in the lithium value-chain

In 2023, Galp has signed a Memorandum of Understanding with TES for assessing the installation of lithium-ion battery recycling units in Iberia. This underscores our commitment to the development of new low-carbon solutions and overall alignment with the energy transition.

3.2 **Upstream**

2023 Highlights

- Working interest (WI) production was 122 kboepd, already reflecting the exclusion of the Angolan upstream assets, supported by the full ramp-up of Coral Sul FLNG and improved efficiencies, which sustained production levels in Brazil.



- In Brazil, Galp and its partners continued to progress the development of the Bacalhau project ahead of the expected start-up in 2025. The hull sailed away to Singapore for topside integration, while drilling and marine installation activities continue offshore Brazil.
- An RDA (Reservoir Data Acquisition) well drilling started in 2023 in the northern area of Bacalhau, with the results to support the definition of the phase II development concept of the field.
- In Mozambique, Coral Sul FLNG concluded its ramp-up and commissioning phase, reaching plateau production levels during the fourth quarter of 2023.
- The Area 4 partners worked towards lifting the "force majeure" status for the Rovuma onshore development and have the project progressing towards an FID for a modular 18 mtpa liquefaction capacity.
- In Namibia, Galp began the exploration campaign by spudding the Mopane prospect in November 2023, through two back-to-back exploratory wells. Early results indicate the presence of light oil and positive reservoir characteristics in terms of porosity and permeability.
- In early 2023, Galp signed an agreement with Somoil for the sale of block 14 and block 32 stakes in Angola for a total consideration of $830 m.

Main indicators

	2022	2023
Reserves 1P[1] (mboe)	367	342
Reserves 2P[1] (mboe)	668	621
Resources 1C[1] (mboe)	525	525
Resources 2C[1] (mboe)	1,653	1,653
Average working interest production[2] (kboepd)	127.1	122.3
Average net entitlement production[2] (kboepd)	125.5	122.0
Carbon intensity in Upstream[3] ($kgCO_2e$/boe)	10.1	9.1
Oil realisations indicator[4] ($/boe)	98.9	78.7
Gas realisations indicator[4] ($/boe)	52.7	44.1
Production costs ($/boe)	2.8	2.6
DD&A[5] ($/boe)	13.6	12.7
RCA Ebitda (€m)	3,083	2,263
RCA Ebit (€m)	2,229	1,739
OCF (€m)	2,022	1,179
Investment[6] (€m)	640	585

Note: unit values based on net entitlement production.

[1] Excludes all reserves and resources related to Angolan assets held for sale (as of 31 December 2023: 1P 12 mbbl, 2P 20 mmbl, 3P 29 mbbl, 1C 20 mbbl, 2C 67 mbbl, 3C 136 mbbl).

[2] Includes the production of exported natural gas, excludes consumed or injected natural gas. Production figures exclude Angolan assets.

[3] Considers 100% of emissions from oil and gas production from operated blocks and the working interest from non-operated blocks. In the case of the Coral FLNG only emissions from activities considered Upstream (gas production) are considered by this metric, while Midstream activities related to the primary intent of producing gas liquids for sale as liquefaction are considered out of scope (2023: 195 kton CO_2e).

[4] Excludes oil and gas realisations of Angolan assets.

[5] Includes provisions for relinquishment and excludes impairments related to exploration assets.

[6] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Focused upstream growth

Galp's upstream portfolio is considered unique across the industry as it is characterised by high competitiveness and a reduced carbon footprint: production costs of c.$3/boe, a carbon intensity at almost half of the industry average and a leading breakeven on operating assets below $20/bbl.

Premium geographies, top class projects and a medium-term production growth of 30% by 2026 elevate Galp's portfolio within the industry and ultimately convert into superior cash flows.

With over 60% of divisional Capex allocated to growth, Galp's portfolio also includes other high quality potential opportunities, such as the large gas resources found in Mozambique and the exciting exploration assets in the promising regions of Namibia and São Tomé and Príncipe.

The high quality and large base of Galp's reserves and resources allows it to focus on projects that generate competitive returns and add value to its portfolio within the existing operating licences.

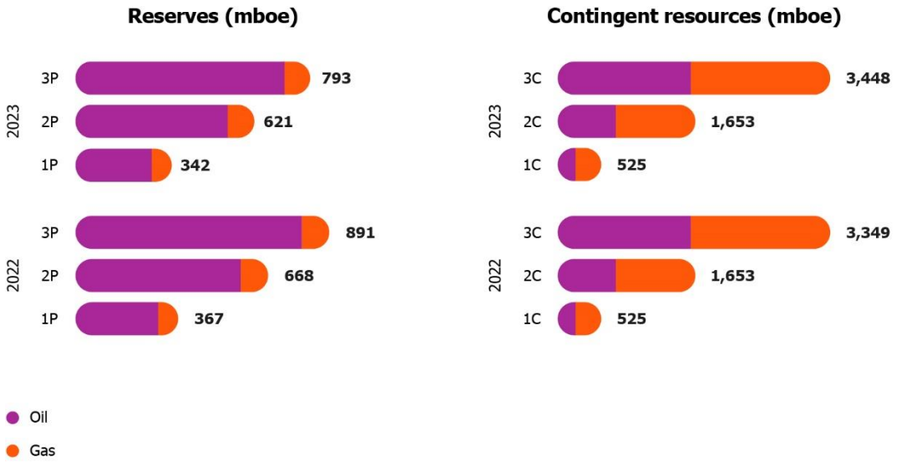
Development of reserves and resources

Reserves 1P were reduced by 7% YoY to 342 mboe, already considering the exclusion of the Angola reserves, with a net entitlement production during the year of 44 mboe, although this was partially offset by an upward revision of reserves.

Proven and probable reserves (2P) followed suit, decreasing 7% YoY to 621 mboe, of which natural gas represents 15%.

2C contingent resources remained flat YoY at 1,653 mboe, with no new additions during the year. Natural gas accounts for 57% of current 2C resources, mainly attributable to Mozambique.

Galp's reserves and resources are subject to an independent assessment by DeGolyer and MacNaughton (DeMac). Effects from the ongoing exploration campaign in Namibia are excluded from the estimated figures.



Note: Reserves on a net entitlement basis. Contingent resources and prospective resources on a working interest basis.
All Angolan reserves and resources are excluded both in 2023 and 2022.
Values exclude reserves and resources related to Angolan assets held for sale (@31 December 2023: 1P 12 mbbl, 2P 20 mmbl, 3P 29 mbbl, 1C 20 mbbl, 2C 67 mbbl, 3C 136 mbbl).

Production overview in 2023

WI production was 122 kboepd, lower relative to 2022 due to the impact of the sale of upstream Angolan assets. On a comparable basis (Brazil and Mozambique), production was up 6% following the full ramp up of the Coral Sul FLNG in Mozambique and stronger performances from the units in Brazil, all of which have reached plateau production in recent years.

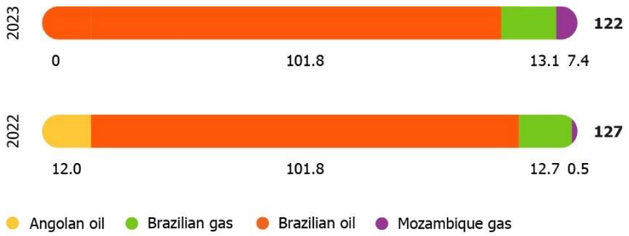
In Brazil, WI production was 115 kboepd, flattish compared to 2022. Planned maintenance activities were performed across the units (as well as a small backlog of activities, resulting from the pandemic, that was cleared). Unplanned events had a lower impact during 2023, improving overall efficiency of the units.

In Mozambique, WI production was over 7 kboepd, with the Coral Sul FLNG reaching record daily production in May and maintaining sustained plateau levels since the fourth quarter of 2023.

Plateau production should translate into roughly 48 LNG and four condensate cargoes each year on a 100% basis.

WI Production is expected to remain above 115 kboepd until Bacalhau starts up, contributing c.40 kboepd net to Galp once at plateau. This represents a key driver of growth to the Company in the future.

Working interest production (kboepd)



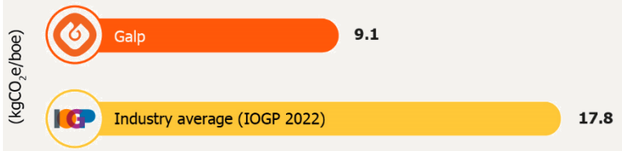
Galp will continue to focus on optimising its portfolio, enhance development plans, manage declines and implement the necessary steps to ensure all value extraction initiatives are executed.

Galp's Upstream portfolio

In early 2023, Galp signed an agreement for the sale of its Angolan upstream assets in blocks 14 and 32. This deal enabled Galp to crystallise value from mature projects and to high-grade its overall portfolio and is expected to be completed in 2024.

Following the sale of the Angolan portfolio, Galp currently has 19 upstream projects at different states of maturity. These range from exploration to production and are located entirely in deep and ultra-deep waters. The most relevant projects include the development of the BM-S-11 block in the Brazilian Santos basin, where one of the world's largest oil discoveries in recent decades is located, the major natural gas discoveries in the Rovuma basin in Mozambique, and promising exploratory assets in Namibia and São Tomé and Príncipe.

Carbon Intensity in Upstream[1]



Galp's growth profile is based on a distinct upstream portfolio, with resources with low production costs and less carbon intensity, when compared to the industry. The competitiveness of these developments enables a carbon intensity of 9.1 $kgCO_2e/boe$, well below the industry average of 17.8 $kgCO_2e/boe$ (source: International Association of Oil and Gas Producers (IOGP) 2022).

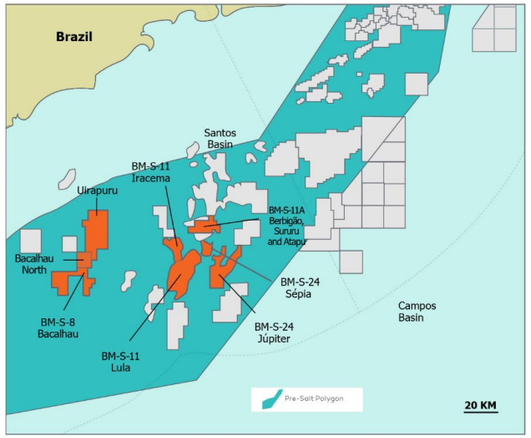
Ultra-deepwater projects are expected to continue to be fundamental to global production and energy security. Thanks to the high level of investment, expertise, technology and innovation, the deepwater projects can be developed safely and are able to produce one of the lowest carbon-intensive barrels of oil compared to other projects. In addition to stricter regulation on venting and flaring, where Brazil is a benchmark for best practices, new FPSOs include advanced technologies that will help to reduce their carbon footprint further. For example, the Bacalhau FPSO will use combined cycle gas turbines capable of reducing CO_2 emissions by c.110 ktpa.

[1] Considers 100% of emissions from oil and gas production from operated blocks and the working interest from non-operated blocks. In the case of the Coral FLNG only emissions from activities considered Upstream (gas production) are considered by this metric, while Midstream activities related to the primary intent of producing gas liquids for sale as liquefaction are considered out of scope (2023: 195 kton CO2e).

Brazil

Galp's portfolio in Brazil is entirely offshore and mainly focused on the pre-salt polygon, where the Company has been present since the exploration and assessment phases of the first prospects back in 2001. The Brazilian pre-salt is a reference in the industry, mainly due to the size and quality of its resources. Along with the advanced technology used in the development concepts, this places these projects among the most competitive and sustainable worldwide.

Galp currently holds several projects in Brazil in the pre-salt of the Santos and Campos basins that are in the appraisal, development and production phases. This makes it one of the key players in Brazil, currently the fourth largest producer in the country.





Producing units in the pre-salt in the Santos basin

Galp started production in the pre-salt in 2010, through the FPSO Cidade Angra dos Reis allocated to the area of Tupi Pilot. By the end of 2023, Galp had 12 operating FPSOs, seven of which in the Tupi accumulation, two in Iracema, one developing the Berbigão & Sururu accumulations, another in the Atapu field and finally one allocated to the Sépia project.

Unit	Designation	Location	Oil | Natural Gas Capacity	Production Start	Galp's stake
FPSO #1	Cidade Angra dos Reis	Tupi Pilot	100 kbpd | 5 mm³/d	Oct. 2010	9.20%
FPSO #2	Cidade de Paraty	Tupi North East	120 kbpd | 5 mm³/d	Jun. 2013	9.20%
FPSO #3	Cidade de Mangaratiba	Iracema South	150 kbpd | 8 mm³/d	Oct. 2014	10.00%
FPSO #4	Cidade de Itaguaí	Iracema North	150 kbpd | 8 mm³/d	Jul. 2015	10.00%
FPSO #5	Cidade de Maricá	Tupi Alto	150 kbpd | 6 mm³/d	Feb. 2016	9.20%
FPSO #6	Cidade de Saquarema	Tupi Central	150 kbpd | 6 mm³/d	Jul. 2016	9.20%
FPSO #7	P-66	Tupi South	150 kbpd | 6 mm³/d	May 2017	9.20%
FPSO #8	P-69	Tupi Extreme South	150 kbpd | 6 mm³/d	Oct. 2018	9.20%
FPSO #9	P-67	Tupi North	150 kbpd | 6 mm³/d	Feb. 2019	9.20%
FPSO #10	P-68	Berbigão and Sururu	150 kbpd | 6 mm³/d	Nov. 2019	10.0%[1]
FPSO #11	P-70	Atapu	150 kbpd | 6 mm³/d	Jun. 2020	1.70%
FPSO #12	Carioca	Sépia	180 kbpd | 6 mm³/d	Aug. 2021	2.40%

[1] The accounting implications of the unitisation were reflected in our statements in the third quarter of 2022, when the Company began to be in a net payable position.



Tupi and Iracema

In the BM-S-11 licence, the Tupi and Iracema projects started production in 2010 in the Tupi Pilot area, making the largest contribution to Galp's production. Between 2010 and 2021, nine production units were installed in these accumulations, with a combined capacity to process up to 1.3 mbbl of oil and 56 million m^3 of natural gas per day, having delivered more than 3.1 bn boe of accumulated production to date.

By the end of 2023, 139 wells (77 producers and 62 injectors) had been drilled, out of the 151 wells planned. Currently, 128 wells are connected to the installed FPSO units.

The partners are committed to maximise the value extraction from these assets, optimising operations and increasing the recoverability of the discovered resources. Following this principle, a well infill campaign is set to start, which will provide further support to production against a natural decline that remains resiliently below 5%.

In late 2021, together with its partners, Galp submitted an updated Plan of Development (PoD) for the Tupi field to the regulator in Brazil (ANP - Brazilian National Agency of Petroleum, Natural Gas and Biofuels). This submission includes a set of identified actions aimed at maximising value creation from the Tupi field by identifying additional resources to be developed at low breakeven prices. In addition to this, the updated plan includes a 20-year field life extension request, until 2057, which will be crucial to further potentiate maximum recoverability from these fields.

The updated PoD is still subject to ANP approval. Regulator queries are being answered promptly and the process is expected to be completed in 2024.

This new PoD is another relevant milestone in the implementation of Galp's Upstream strategy, and is fully aligned with the Company's capital allocation guidelines.

Berbigão, Sururu and Atapu

Through the BM-S-11A consortium, Galp holds stakes in Berbigão, Sururu and Atapu, three accumulations located in the central pre-salt area of the Santos basin, northeast of the Tupi and Iracema fields.

The Berbigão and the western flank of the Sururu accumulations are under development through FPSO P-68, which reached plateau at the end of 2022 and has maintained high production levels since then. The unit has 10 producing wells connected, as planned. It also has six injector wells connected, out of the seven planned.

The FPSO P-70, in the Atapu accumulation reached plateau in 2021, and, by the end of 2023, had six producing wells connected, out of a total of eight planned.

The drilling campaign in the three accumulations is proceeding according to plan, with 17 producing wells and 12 injection wells already drilled by the end of 2023, out of the 34 wells planned.

In the Sururu area, Galp and its partners continued to study the subsurface of the accumulation to develop the central area of the field. Based on data from the EWT (Extended Well Test), which is producing through P-68 since June 2021 and the RDA well drilled in 2020, the consortium is adjusting the development concept and is already liaising with ANP.

The Berbigão and Sururu accumulations extend beyond the limits of block BM-S-11A towards a Transfer of Rights (ToR) area, and will be subject to unitisation with the surrounding areas. Regarding the ToR area, in 2018, the members of the consortium, along with Petrobras, submitted the Production Individualisation Agreements (AIP) to ANP and are awaiting the agency's approval. As a result of the unitisation agreement, once it is approved, Galp will marginally reduce its working interest in the project, which will then include a larger reserves pool. The accounting implications of the unitisation were reflected in our statements in the third quarter of 2022, when the Company began to be in a net payable position.

In late 2021, ANP hosted the second bid round for the surplus volumes of the ToR (Transfer of Rights) of Sépia and Atapu areas, having awarded the Atapu rights to the consortium composed of Petrobras, Shell and TotalEnergies. Galp's stake in the project remained unchanged at 1.7%.

The partners have been working on a second phase concept, with a development plan submitted for ANP approval in the end of 2022. The concept envisions a new FPSO, P-84, with a 225 kbpd oil capacity. An FID is expected to be reached in 2024, together with the award of the EPC contracts, and first oil is expected late in the decade.

Sépia

The Sépia project, which started production in August 2021 through FPSO Carioca, is located approximately 200 km off the coast of the state of Rio de Janeiro with a water depth of 2,200 m. The unit, chartered from Modec, has a processing capacity of up to 180 kbpd and 6 mm^3 of natural gas, and is the largest operating unit in the Santos Basin.

The drilling campaign produced seven producing wells and four injection wells by the end of 2023, out of a total of 15 planned wells. The unit is now fully ramped up, and reached plateau production in May 2022. Currently, four producer wells and three injectors are connected to the FPSO, with the additional wells to be installed from 2025 onwards to support production at plateau levels.

In late 2021, ANP hosted the second bid round for the surplus volumes of the ToR (transfer of rights) of the Sépia and Atapu areas, and awarded the Sépia rights to the consortium composed of Petrobras, TotalEnergies, Petronas and Qatar Petroleum. Galp's stake in the project remained unchanged at 2.4%.

A development plan for a new phase was submitted to ANP in late 2022. This covers the installation of an additional FPSO of 225 kbpd oil capacity, P-85, tendered jointly with Atapu's new unit. Similarly to

Atapu's new unit, FID is expected to be reached in 2024, together with the award of EPC contracts, and first oil is expected late in the decade.

Júpiter

The Júpiter discovery, located entirely within block BM-S-24, is a large-scale accumulation. It is still under appraisal in view of the challenges to the development concept posed by the elevated CO_2 content within the reservoir.

The results from the Drill Stem Test (DST) performed in 2020 reinforced the potential of the Júpiter reservoir, with a high added value condensate sample, and Galp and its partners are to continuing to perform development studies of the discovery.

During 2023, the partners continued the technological development studies and an analysis of additional assessment activities in order to support the project's conceptual solution.

Bacalhau

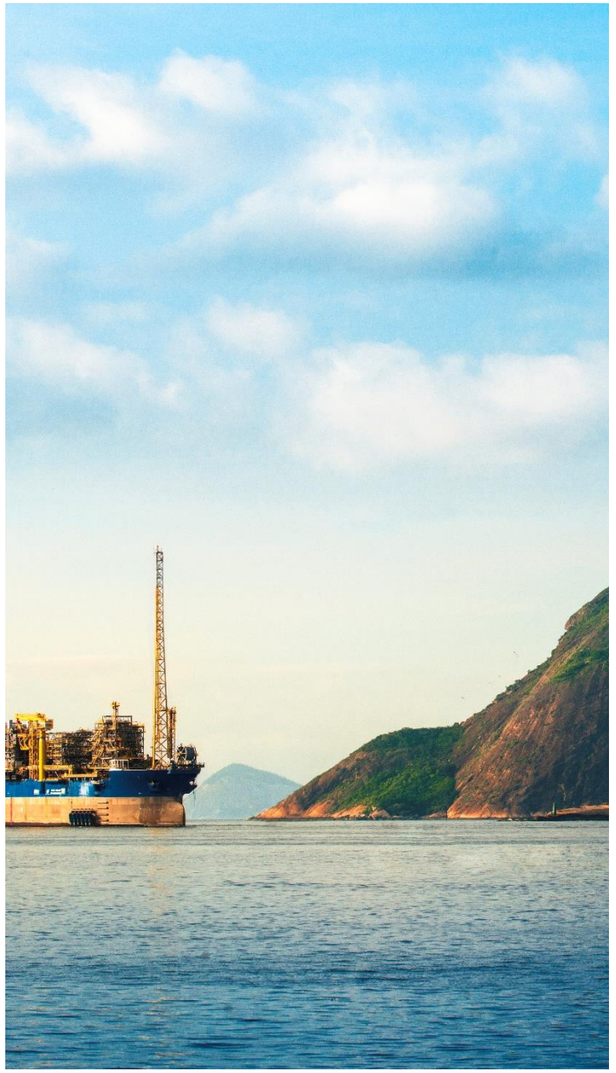
The Bacalhau project extends through blocks BM-S-8 and Bacalhau North and is one of the most competitive developments underway worldwide.

In 2021, Galp and its partners made the FID to develop phase I of the Bacalhau field. The total full life cycle investment for this first phase is estimated at approximately $8 bn. In 2023, the consortium focused on the execution of the hull construction in China, with its completion and sail away to Singapore for topside integration. In Brazil, drilling and maritime campaigns are progressing according to plan, backed by 2 drilling rigs and 8 support vessels.

The Bacalhau project is considered one of the most promising assets in the pre-salt of the Santos basin due to the high-pressure conditions of the reservoir and its high-quality resources. It is a highly competitive project, both in economic and environmental terms, with phase I having an estimated NPV_{10} Brent breakeven well below $35/bbl (upon FID) and a carbon intensity estimated at c.9 $kgCO_2e/bbl$.

The development of phase I will consist of 19 subsea wells tied back to an FPSO located at the field. This will be one of the largest and most technologically advanced FPSOs in Brazil, with a production capacity of 220 kbpd and 2 mbbl in storage capacity. The stabilised oil will be offloaded to shuttle tankers and all the gas will be re-injected into the reservoir.

In Bacalhau North area, where additional recoverable volumes were identified, an RDA well has been completed in early 2024. The results of this well will help support the definition of further developments in Bacalhau.



Bacalhau: executing a world class project

1. Final Investment Decision



On 1 June 2021, FID on Bacalhau phase I development was announced. Bacalhau is the first greenfield development by an international operator in the Brazilian pre-salt and spreads across two licenses: BM-S-8 and Bacalhau North.

The FPSO will be the largest unit installed offshore Brazil to date, with a gross production capacity of 220 kbpd and 2 mbbl in storage. Reservoir characteristics and technological advancements, such as the Combined Cycle Gas Turbine (CCGT) system for energy and heat production, enables Bacalhau´s CO_2 intensity to be less than 9 $kgCO_2e/boe$ and its breakeven to be well below $35/bbl.

2. Hull Construction







Modec was awarded the Front-End Engineering Design (FEED) and the Engineering, Procurement, Construction and Installation (EPCI) contracts. It has been the first application of the "M350 Hull", a next generation full double hull design for FPSOs, developed to accommodate larger topside and larger storage capacity than conventional VLCC tankers, leading to longer design service life.

The hull is about 364x64x33 meters and has a deck area of c.18,000 m^2, equivalent to three standard football fields.

3. Hull Sail Away



Despite the challenges imposed by the pandemic during its construction, on 12 June 2023, the hull sailed away towards Singapore for topsides integration at Seatrium yard. Since the first steel cut in 2020, there have been almost 8,000 workers involved in the FPSO Bacalhau´s hull and living quarters construction.

4. Topsides Integration





Topsides integration is a complex process involving the assembly and interconnection of various modules, transforming the hull into an oil & gas production unit. These include oil & gas separators, compressors, water treatment units, CCGT for energy production and control and safety systems.

Over 20 modules were lifted and integrated to the hull, these have been fabricated in China (BOMESC) and Thailand (Aibel). The remaining scope of integration and commissioning work of topsides is now underway, lasting until the FPSO´s expected sail-away in the second half of 2024.

5. SURF fabrication and offshore installation







Meanwhile, 185 km offshore Brazil, the Subsea Umbilicals, Risers and Flowlines (SURF) campaign began in early 2023, executed by the EPCI contract winner Subsea Integration Alliance.

This campaign involves the fabrication, preparation and installation of the subsea infrastructures that will connect the wells to the FPSO. Mooring piles, gas lifts manifolds, anodes and a kilometer of seabed pipelines and risers are being installed by 4 specialized support vessels.

2024

6. Offshore drilling





In November 2022, the West Saturn drilling rig spudded the first out of 19 planned wells offshore Brazil, in 2,000 m water depths. During 3Q23 a second rig, Valaris DS-17, was mobilized to appraise the northern part of the field, after that it will accelerate the drilling of producers and injectors wells that will support the ramp up of the Bacalhau FPSO until first oil, expected for mid-2025, and beyond.

Mozambique

Galp regards natural gas as a key component in the transition to a lower-carbon global economy. The discoveries in the Rovuma basin in Mozambique will enable the country to become one of the world's leading natural gas suppliers.

Area 4 is estimated to hold 85 trillion cubic feet (tcf) of high-quality gas volumes in place. The development of Area 4, in the Rovuma basin thus far includes the Coral South offshore project located in the Coral field and the Rovuma LNG onshore project to develop the large Mamba field.

Coral

The Coral discovery, located entirely on the Area 4 concession, is defined by a reservoir with approximately 16 tcf of gas in place.

After being sanctioned in 2017, the Coral South project is the first development to tap the large-scale natural gas resources of Area 4. The project consists in a FLNG unit connected to the southern area of the Coral discovery, with a processing capacity of about 3.4 mtpa of LNG.

Construction of the FLNG started in 2018, with a controlled execution which led to the unit sail away from South Korea in November 2021, as per plan and budget and despite the pandemic. The FLNG arrived in Mozambique in January 2022 and, following mooring and hooking up procedures, started producing in late 2022.

In 2023, the unit gradually ramped-up LNG production and reached sustained plateau in November.

The unit is designed to keep, extract and liquify natural gas at high levels of utilisation and without significant maintenance in the early years in operation.

The partners are also considering a potential second FLNG to further develop the resources in Coral, which would conceptually be a replica of the Coral Sul FLNG unit. The economic feasibility of this project will be assessed during 2024.

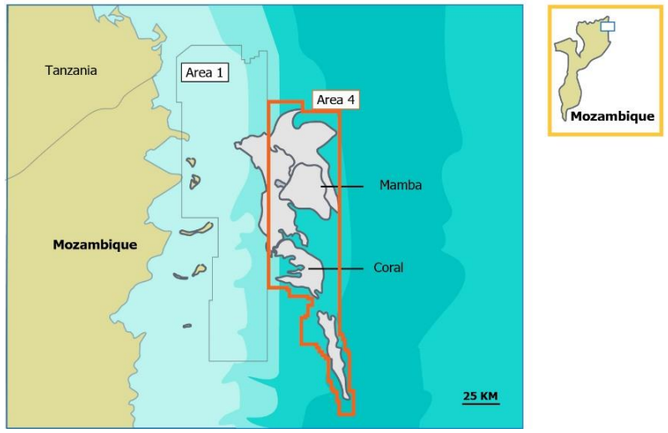
Rovuma LNG

The onshore developments of the Rovuma basin could be seen as some of the most competitive natural gas green field projects in the world, benefiting from Mozambique's privileged geographical position, the quality of the gas in place and the proximity of the discoveries to shore.

As a result of the tensions within the country, which intensified in 2021/22, the Area 4 JV decided to call "force majeure" and evacuated its people to ensure their safety and put a temporary halt to the project. In 2023, the partners focused on optimising the development concept and evaluating options to ensure the project's economic and sustainable robustness.

The partners are now maturing a development concept of 12 modular trains of approximately 1.5 mtpa of liquefaction capacity each, for a total of 18 mtpa for the first phase of the project. Expression of interest (EOI) tenders for FEED works have been launched, both for the modular onshore design as well as the subsea infrastructure.

The consortium is also evaluating potential synergies with adjacent development areas and continues to closely monitor the in-country security situation.





Namibia

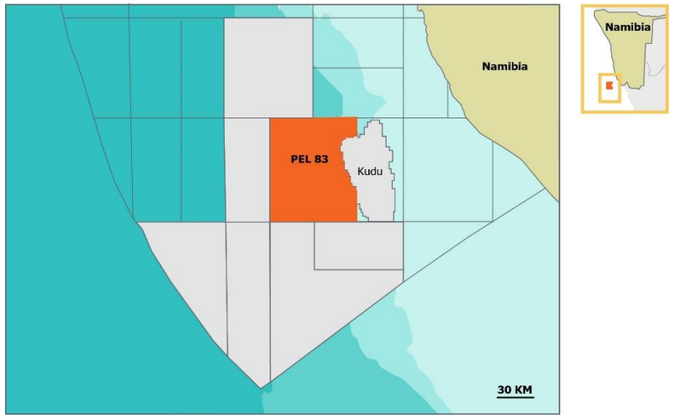
Galp's exploration assets in Namibia consist of Petroleum Exploration Licence No 83 (PEL 83), which covers an area of almost 10,000 km^2 in the Orange Basin, located in the southern part of Namibia's offshore waters near to the border with South Africa. The Company holds an 80% working interest in the Licence along with the Namibian State Oil Company, Namcor (10%), and the local Namibian Independent Oil Company, Custos Energy (10%).

Throughout 2023 Galp has obtained the necessary licences, and prepared and de-risked the exploration campaign, which commenced in November 2023. It represented the Company's return to drilling in Namibia for the first time since 2013.

The exploration campaign envisioned two back-to-back exploratory wells and one contingent DST. The identified prospect, Mopane, is an upper-cretaceous play 200 km offshore Namibia, at a water depth of approximately 1,900 m. The distance between the two wells is approximately 8 km.

Already in 2024, drilling and logging activities in the first exploration well, Mopane-1X, confirmed the discovery of two significant columns of light oil in reservoir-bearing sands of high quality.

The rig was then relocated to the second exploration well location, Mopane-2X, which confirmed the lateral extension of the discovery made on the Mopane-1X well, also revealing light oil in other targeted reservoirs. A Drill Stem Test (DST) will be performed on the first well.



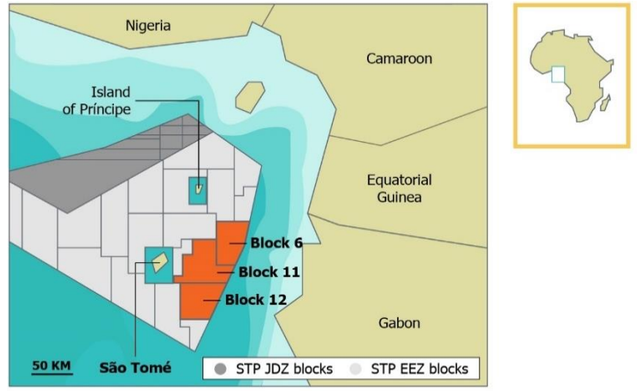


São Tomé and Príncipe

Galp's exploration portfolio in São Tomé and Príncipe currently includes positions in three offshore blocks, namely blocks 6 and 12, where Galp is the operator, and block 11, in which the Company is not the operator.

Following geological and geophysical studies carried out on block 6, Galp drilled an exploratory well in 2022. The well, known as Jaca, showed no evidence of a commercial discovery, although it underlined an active petroleum system and allowed Galp to acquire a large set of valuable data which, throughout 2023, was analysed and integrated for a better understanding of the area.

Galp continues to work towards identifying, maturing and de-risking potential prospects worth drilling together with its partners and 2024 will be important for planning the next exploratory steps in the region.



Current Upstream project portfolio

Block(s)	Basin	Type	# Projects	Main Projects	Oil Properties		Phase	Partners
					API (º)	Sulphur (%wt)		
Brazil (via Petrogal Brazil, except Barreirinhas)								
BM-S-11	Santos	Offshore	1	Tupi	27-34	<0.5	Development & Production	Galp 9.2% | Petrobras 67.2% (op.) Shell 23.0% | PPSA 0.6%
BM-S-11	Santos	Offshore	1	Iracema	28-32	<0.5	Development & Production	Galp 10% | Petrobras 65% (op.) Shell 25%
BM-S-11A	Santos	Offshore	1	Berbigão	25-28	<0.5	Development & Production	Galp 10% | Petrobras 42.5% (op.) Shell 25% | TotalEnergies 22.5%
BM-S-11A	Santos	Offshore	1	Sururu	24-29	<0.5	Development & Production	Galp 10% | Petrobras 42.5% (op.) Shell 25% | TotalEnergies 22.5%
BM-S-11A	Santos	Offshore	1	Atapu	27-29	<0.5	Development & Production	Galp 1.7% | Petrobras 65.7% (op.) Shell 16.7% | TotalEnergies 15.0% | PPSA 1.0%
BM-S-8	Santos	Offshore	1	Bacalhau	30-32	<0.5	Development	Galp 20% | Equinor 40% (op.) ExxonMobil 40%
Uirapuru	Santos	Offshore	1				Exploration	Galp 14% | Petrobras 30% (op.) Equinor 28% | ExxonMobil 28%
Sépia	Santos	Offshore	1	Sépia	26-30	<0.5	Development & Production	Galp 2.4% | Petrobras 55.3% (op.) TotalEnergies 16.9% | Petronas 12.7% QP 12.7%
BM-S-24	Santos	Offshore	1	Júpiter			Appraisal	Galp 20% Petrobras 80% (op.)
BAR-M-300/ 342/344/388	Barreirinhas	Offshore	4				Exploration	Galp 10% | Shell 50% (op.) Petrobras 40%
Mozambique								
Area 4	Rovuma	Offshore	2	Coral Sul Rovuma LNG			Development & Production	Galp 10% | Eni 25% (op.) ExxonMobil 25% (op.) | CNPC 20% Kogas 10% | ENH 10%
Namibia								
PEL 83	Orange	Offshore	1				Exploration	Galp 80% (op.) | NAMCOR 10% Custos 10%
S. Tomé and Príncipe								
Block 6	Rio Muni	Offshore	1				Exploration	Galp 45%(op.) | KE 25% | Shell 20% ANP 10%
Block 11	Rio Muni	Offshore	1				Exploration	Galp 20% | KE 35% (op.) Shell 30% | ANP 15%
Block 12	Rio Muni	Offshore	1				Exploration	Galp 41.2% (op.) | Equator 46.3% ANP 12.5%

3.3 **Industrial & Midstream**

2023 Highlights

- Sines operated close to full availability during the year, outside periods of planned turnarounds, capturing the supportive international environment with a robust refining margin of $11.0/boe.



- Galp successfully completed a general turnaround in its Sines refinery, the largest in the past decade. This is in line with its objective of improving operational security and efficiency.
- Galp has taken FID on two large scale projects to reduce the carbon footprint of the Sines refinery and its products, namely a 270 ktpa advanced biofuel unit and a 100 MW electrolyser project for the production of green hydrogen.
- Galp maintained a relevant position in the Iberian biofuels space, through the integration of approximately 300 ktons in diesel (biodiesel and HVO) and gasoline (bioethanol), avoiding approximately 1,000 ktons of CO_2 emissions on a life cycle basis, compared to a fossil equivalent.
- Galp maintained its ambition of a 50% reduction of its refining operating emissions (scope 1 & 2) by 2030 (vs. 2017) and continued to take the necessary steps to implement its decarbonisation roadmap.
- Energy Management effectively increased value capture from integration, contributing >€500 m to Galp's operating results (RCA Ebitda). Improved performance across commodities, most notably in trading gas activities, supported by the higher portfolio flexibility.
- Expansion of the footprint in Brazilian's liberalised natural gas market continued, contributing approximately 4 TWh of NG/LNG volumes in 2023, up 105% YoY.

Main indicators

	2022	2023
Raw materials processed (mboe)	88.0	78.9
Galp refining margin ($/boe)	11.6	11.0
Refining costs[1] ($/boe)	2.2	4.5
Oil products supply (mton)	15.8	14.8
NG/LNG supply & trading volumes (TWh)	54.6	46.5
of which Trading (TWh)	23.2	18.4
Direct GHG emissions (ktonCO$_2$e)	2,664	2,360
Total water consumption per treated feedstock[2] (m^3/ton)	0.56	0.60
Percentage of water reutilised[2]	10%	9%
RCA Ebitda (€m)	451	929
RCA Ebit (€m)	66	693
OCF (€m)	459	764
Investment[3] (€m)	72	196

[1] Excluding refining margin hedging impact.
[2] In Sines refinery.
[3] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Industrial

An Industrial stepping stone for the development of Low Carbon energy solutions in Iberia

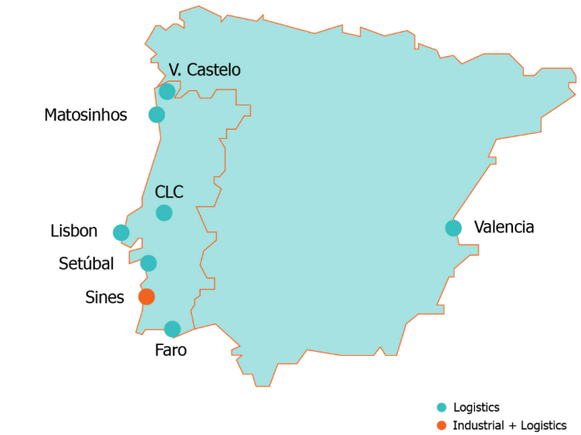
Galp is strategically steering the Sines industrial complex, home to Portugal's only refinery, towards lasting competitiveness with a focus on value and sustainability. Our ambitions go beyond conventional operations, with a dedication to substantially reduce the carbon footprint of both our system and products, to ensure the long-term value of the assets. This strategy is important for our integrated industrial approach, which consists of improvements to the energy efficiency of our refining operations and the progressive incorporation of renewable products, including green hydrogen and advanced biofuels.

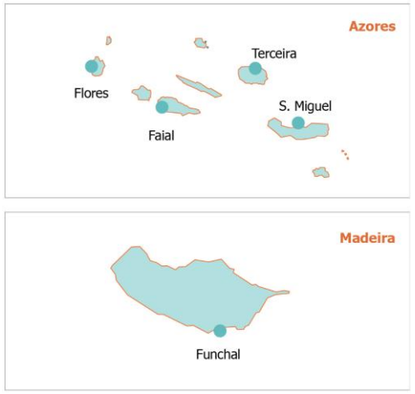
Our strategy is a direct response to opportunities for both growth and transformation. Galp is actively shaping the long-term sustainability of Portugal's liquid energy supply. We aim to reduce 50% our operating carbon emissions by 2030, which reinforces our proactive stance on preparing our system for the rapidly transforming energy landscape.

Galp's industrial activities include the refining, logistics and cogeneration operations. The Company continues to focus on maximising value creation in this segment, increasing the efficiency of its operations, and adapting its portfolio to future demand patterns and the progressive decarbonisation of its operations.

All of Galp's current industrial activities are located in Iberia. The Company owns the only refinery in operation in Portugal, located in Sines, where it also operates maritime terminals and storage parks. Galp's industrial activities in Sines are central to the country's economy, directly employing over 500 people.

Industrial & logistic assets in Iberia





Safety

Safety is a foundational pillar of the Industrial unit's performance and one that is always a priority for the team. The business unit is responsible for the three main areas of risk: personal safety, process safety and transport safety. In 2023, there were no fatalities related to Industrial's activity, and the Process Safety Incident Rate improved over previous years. During the year, the team did register personal injuries with a lower impact, and these were duly scrutinised. The lessons learned throughout the year will support the ongoing improvement of Galp's safety performance.

Two 2023 initiatives to highlight:

- Continuous focus on promoting a Safety and Leadership Culture, with the Galp Safety Leaders Way program reaching c.2,900 persons since its inception in 2022, getting both our people and our contractors on board;
- Road Transport Safety – full implementation in 2023 of a uniformized roadmap to improve risk management across all our fuel transportation contracts.

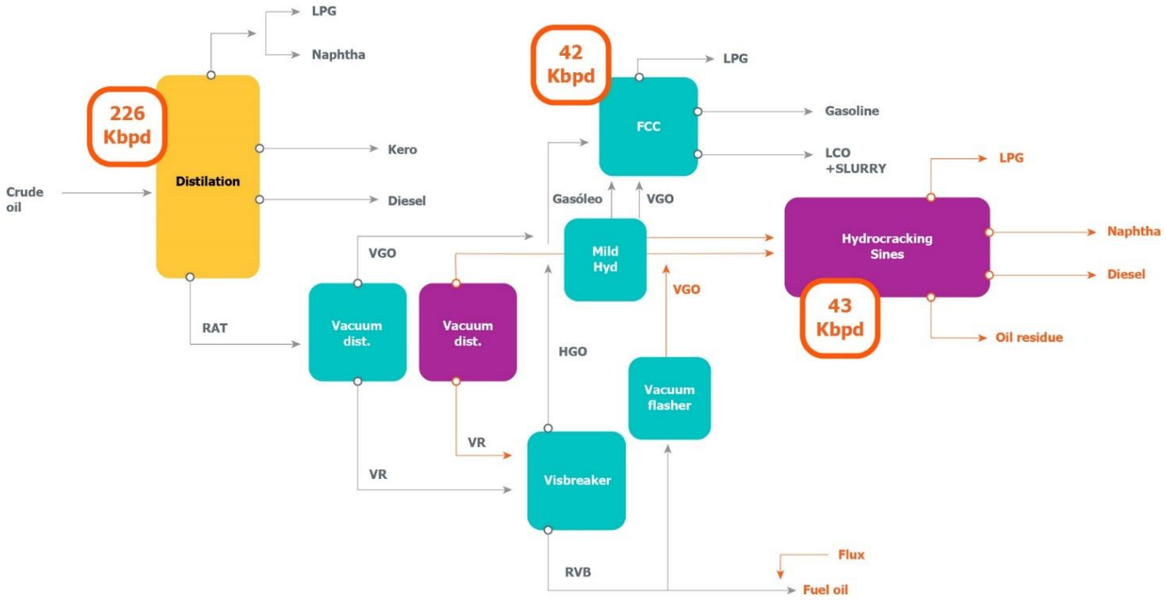
Sines refinery

The Sines refinery is one of the largest in Iberia, and the only plant of its kind in Portugal. It is accountable for responsibly securing safe energy supply in the region. The refinery has a distillation capacity of approximately 226 kbpd and is capable of processing a varied array of crude grades. The process starts in the atmospheric distillation unit, with the production of valuable products such as diesel. The residue is then processed in vacuum distillation units and separated into other valuable output streams. According to their characteristics, these serve as feedstock to fluid catalytic cracking (FCC), hydrocracking or visbreaker units, optimising conversion and the targeted yields in order to maximise value.

The Sines refinery capacity and conversion complexity, as well as the strategic advantage due to its coastal location and the deep-water port infrastructure at the site, both for the supply of crude oil and exporting products, make this refinery highly competitive and well positioned to thrive despite the challenges faced by the sector in future.

A cogeneration unit supports Galp's power activity in Portugal, with 91 MW installed in the Sines refinery. This unit is highly efficient, as it combines heat and electricity generation, and it is a significant supplier of steam to the refinery operations.

In 2023, a total of 1,984 GWh were produced from cogeneration activities, down 5% YoY on a comparable basis.





Operational performance in 2023

Galp continues to focus on improving the competitiveness of its Sines refinery, in an increasingly demanding regulatory environment and a challenging oil product market.

In 2023, raw materials processed totalled 78.9 mboe, down 10% YoY, reflecting the planned maintenance activities performed on the refinery.

During the year, and following a more normalised natural gas market and overall supply, the refinery resumed regular consumption of natural gas, reverting from the more pronounced consumption of naphtha in 2022. This supported the reduction in Scope 1 & 2 emissions YoY by 11%.

Galp's refining margin was down YoY, from $11.6/boe to $11.0/boe, but still reflects a supportive international oil products' crack, namely on gasoline, and it benefited from the more normalised costs of energy.

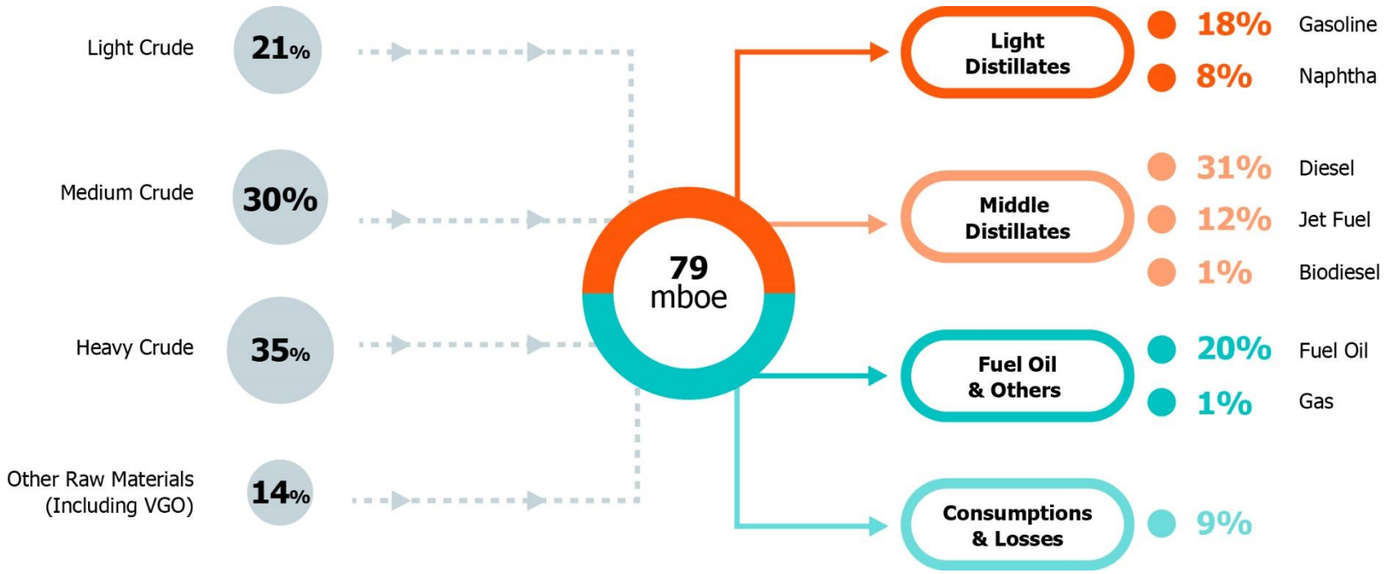
Crude oil accounted for 85% of raw materials processed, 75% of which corresponded to medium and heavy crudes. The crude processed was exclusively of sweet grades.

Diesel and gasoline were the most relevant products in Galp's production mix. The entire fuel oil production was of Very Low Sulphur Fuel Oil (VLSFO).

Industrial transformation

Galp is reconfiguring its industrial segment, concentrating its refining activities in Sines, and improving the energy efficiency of its operations, as well as progressively replacing fossil with renewable feedstocks through the integration of green hydrogen and the development of low carbon fuels. From 2017 to 2030, we aim to reduce the operating carbon emissions from industrial activities by 50%.

Sines refinery 2023 inputs/outputs



In 2023, Galp took a FID on two large scale projects to reduce the carbon footprint of the Sines refinery and its products. The projects include a 270 ktpa advanced biofuels unit, in partnership with Mitsui, and 100 MW of electrolysers for the production of green hydrogen. Both units are expected to have their initial startup during 2025.

Additionally, throughout 2023, considerable investments to improve the energy efficiency of the refinery were made, including a technological upgrade of several heat exchanger bundles in the crude unit and hydrocracker, the execution of a hot feed project on the diesel desulphurisation unit and installing a new and more efficient flue gas heat recovery boiler on the fluid catalytic cracking unit. These projects are intended to contribute to reducing the refinery direct emissions by 53 ktCO_2/y. Additionally, a site-wide energy assessment project was completed to support the preparation of the refinery decarbonisation roadmap.

Sines' transformation aligned with EU ambitions and regulation

The market for alternative fuels in the EU is largely driven by regulation.

In alignment with its decarbonisation ambitions, EU members states should have a mandatory target of 55% emission reduction by 2030. Within the larger Fit For 55 package, the EU establishes clear targets for carbon intensity reduction in the transportation sector, including a joint mandate for the incorporation of advanced biofuels and renewable fuels of non-biological origin (RFNBO) of 5.5% (with a minimum binding mandate of 1% for RFNBOs, such as renewable hydrogen).

These decarbonisation efforts and the regulation backing them are expected to drive a substantial demand increase for both biofuel types and reinforces the strategic fit of Galp's transformational projects in Sines.

Renewable fuels

Galp and Mitsui joined forces to produce and market advanced biofuels from Sines by creating a 75/25 joint venture and investing in a large scale 270 ktpa unit adjacent to the Sines refinery, which expected to have its initial startup during 2025. Total investments in this new plant are estimated at approximately €400 m, with Galp acting as its operator.

The unit will produce renewable diesel (hydrotreated vegetable oil - HVO) and sustainable aviation fuel (SAF), thus making it possible to avoid approximately 800 ktpa of greenhouse gas emissions compared to its fossil fuels alternatives.

This partnership brings together the vast industrial expertise of both companies as it combines Galp's market and operational synergies with Mitsui's global presence, while also supporting the procurement of the plant's feedstock needs.

The sourcing strategy for the project reflects the emerging circular economy trend, which advocates using waste residues, such as waste oils and biomass, as well as used cooking oils and waste animal fats as feedstocks.

Galp is actively working on offtake agreements to ensure flexibility and to mitigate the supply risk. New supply chains are also being developed to optimise sourcing from diversified geographies. The Company is already producing renewable diesel (HVO) in a hydrogenation unit at its Sines refinery.

The co-processing of vegetable oil with diesel produces a biofuel with characteristics similar to mineral diesel. In 2023, this unit's production reached approximately 108 kton, equivalent to an avoidance of 360 kton of CO_2 emissions.

Galp also owns Enerfuel, an industrial unit in Sines producing Fatty Acid Methyl Ester (FAME) biodiesel. This product is made 100% from the processing of animal fats and used cooking oils, which leverage Galp's trading experience in the market. In 2023, and in compliance with the European Union's Renewable Energy Directive (RED), Galp incorporated 11.5% biofuels into its energy content in Portugal, and 10.5% in Spain. In total, the Company produced over 132.6 kton of biofuels in Iberia, of which almost 25 kton is second-generation biodiesel produced by Enerfuel.



Green hydrogen

Galp considers hydrogen produced through electrolysis powered by renewable electricity (green hydrogen) as an important lever for the energy transition, namely for the decarbonisation of hard to abate sectors, such as heavy-duty transport, maritime, aviation and high energy intensive industrial processes.

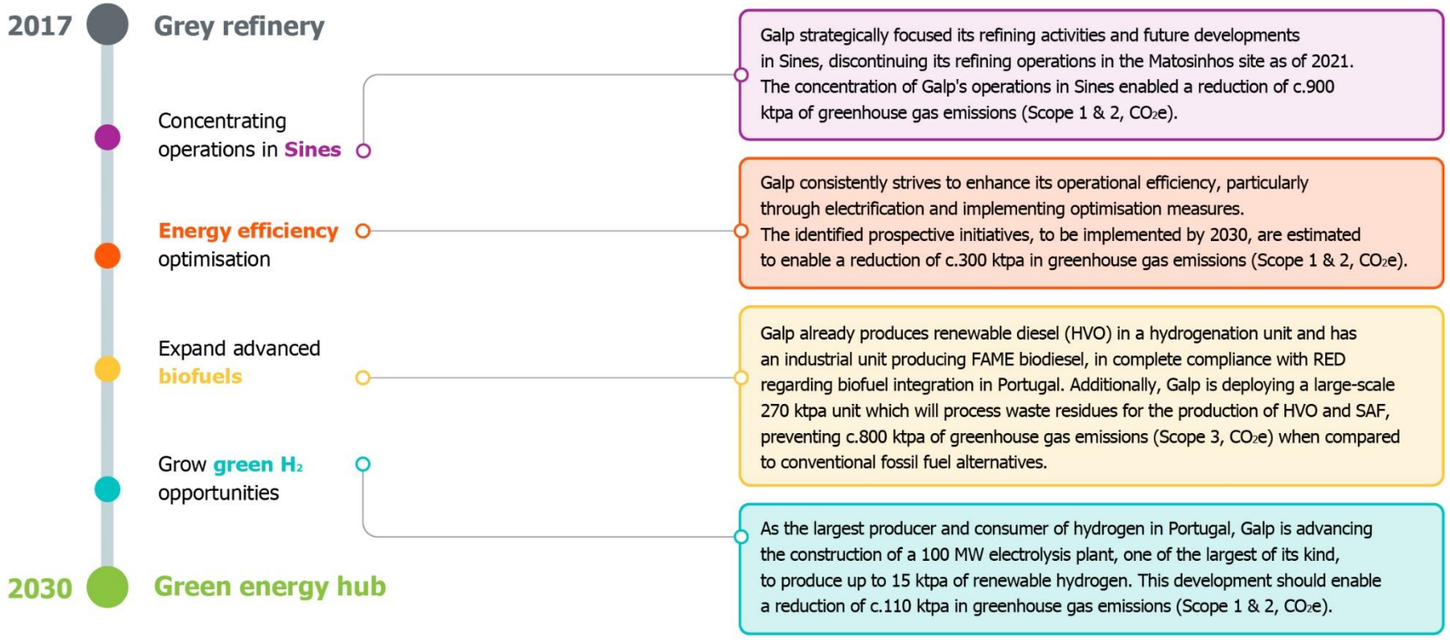
Galp is currently the biggest producer and consumer in Portugal of hydrogen, which today entirely originates from natural gas. In order to decarbonise its Industrial activities, it is important to integrate new technological solutions such as the integration of green hydrogen. If one adds to this a set of competitive advantages that Portugal enjoys — and specifically the Sines complex — in terms of renewable energy sources, infrastructure and strategic location, it is clear that Galp is in a privileged position to develop green hydrogen solutions in the country.

In 2023, Galp made the final investment decision to invest in the construction of a 100 MW electrolysis plant, capable of producing up to 15 ktpa of green hydrogen. This large-scale project will make it possible to replace approximately 20% of the existing grey hydrogen production at the Sines refinery and may lead to a greenhouse gas emissions reduction of c.110 ktpa (Scope 1 & 2, CO_2e). The total investment requirement for this green hydrogen project is estimated at c.€250 m.

The electrolysers will be supplied by renewable power originating from long-term supply agreements and Galp's own renewable power asset base. The unit will use industrial recycled water, with expected annual consumption representing less than 3% of the average annual needs of the refinery.

Plug Power was awarded the order for the 100 MW proton exchange membrane (PEM) electrolysers, whilst Technip Energies will be the main EPCM provider.

Galp aims to continue deploying projects to replace its grey hydrogen production by green production and continuously decarbonise its industrial operations whilst securing an early presence in the hydrogen value chain, which has the potential to be a key stepping stone for a cleaner energy system in the future.



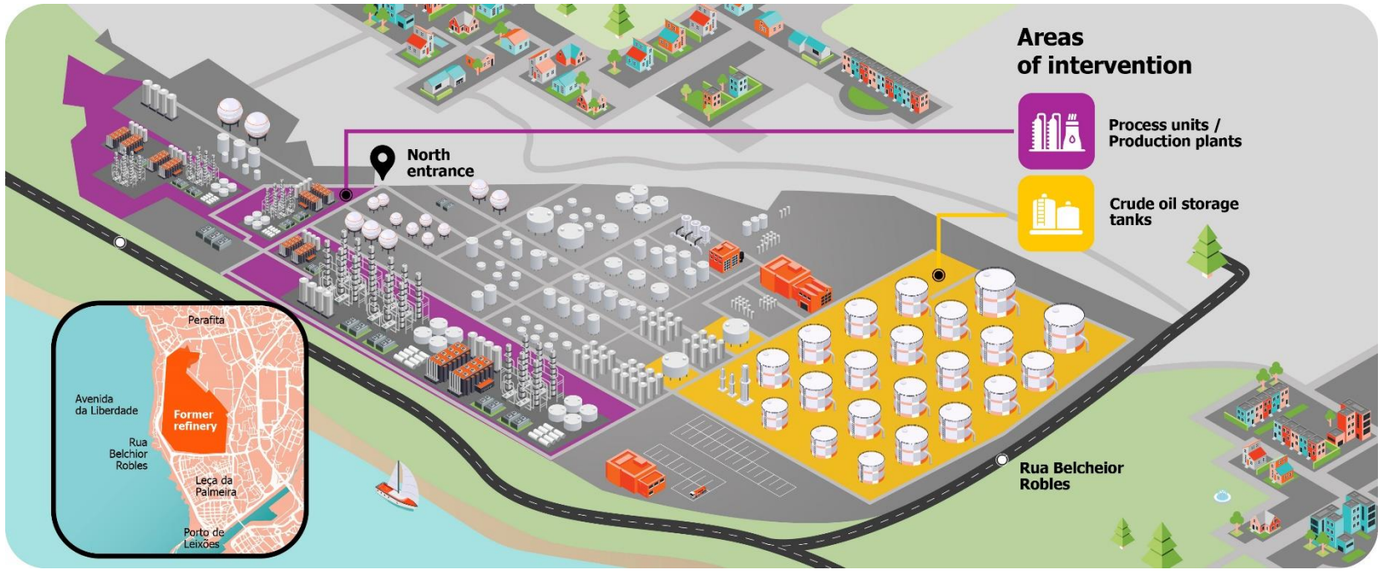
Matosinhos

After a rigorous assessment of alternatives, Galp decided to concentrate its refining activities and future developments in the Sines industrial complex and to discontinue refining operations in Matosinhos from 2021 onwards.

With the aim of promoting the economic, social and environmental context of the northern region, Galp, together with the Matosinhos City Council and the North Regional Coordination and Development Commission, is studying the reconversion of the site into an Innovation District, which could also hold an university campus.

The decommissioning activities of the refinery progressed during 2023, and demolition works started last October. The overall duration of this phase is estimated to be around two and a half years. This represents an important milestone for the decommissioning and dismantling of the refinery, which started approximately two years ago. Throughout this period, a wide range of preparatory operations were implemented, including the safe shutdown of the process units, cleaning and degassing process units, equipment, and pipes to ensure the elimination of hydrocarbons and related products.

Once dismantling is complete, the environmental soil rehabilitation phase will follow to enable the reconversion of the site.



Energy Management to enhance integrated value across the value chain

In Midstream, Energy Management has been developing a pivotal position, delivering enhanced value across the integrated value chain of Galp's businesses. The team is adeptly maximising the integrated margin, whilst delivering safe navigation through the energy market dynamics and risk management. It actively captures trading opportunities to add value beyond Galp's equity position.

Internal capabilities have been strengthened, fostering increased synergies and seeking to limit impacts from volatile market conditions. This ongoing process ensures a competitive supply to the core business and allows access to new value levers. The successful entry into the Brazilian natural gas market and increased contributions from both biofuels and renewable power operations showcase the impact of this upgraded process. Energy Management is a key contributor to Galp's long-term integrated value creation, leveraging portfolio flexibility and resilience across the value chains.



Midstream, part of Energy Management activities, encompass supply, trading and shipping activities of crude oil, oil products, biofuels, natural gas, electricity and environmental products — from both equity and third-party origination. Galp captures trading opportunities and maximises management of the integrated margin by optimising supply-to-sourcing and taking advantage of energy market dynamics and risk management.

During 2023, Midstream natural gas supply and trading activities continued to cope with sourcing restrictions from Galp's long-term suppliers at a time of persistent volatility on the European natural gas market. Focused on continuously enhancing internal capabilities, the team managed to improve performance across oil, natural gas and power operations. Most notably, the overall natural gas supply and trading performance was improved, supported by higher portfolio flexibility considering limited pre-sold and pre-hedged contracts, and despite reduced sourced volumes and lower European natural gas prices.

Supply & Trading of Oil and Oil Products

Galp engages in trading oil and its products. The Company participates in Midstream activities throughout the value chain, with a considerable role in the daily operations of the Upstream, Industrial and Commercial activities.

Equity Oil

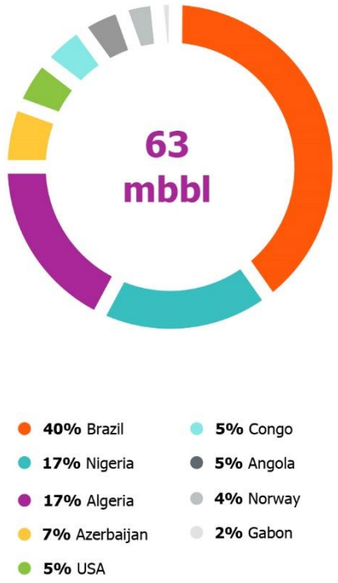
The Energy Management division is responsible for the placement of Galp's equity crude oil production, which now originates entirely from Brazil. The aim is to maximise overall realisations and adjust worldwide outlets according to market conditions. In 2023, in a challenging demand environment, the team placed its equity production efficiently, despite continued pressure from higher logistic costs and the stressed market for Brazilian grades throughout most of the year.

Throughout 2023, volumes sold totalled 36.5 mbbl, of which 91% were placed in China, which maintained its position as the main outlet for Galp's oil production. The other two main markets were Europe and North America, representing 8% and 1%, respectively.

Raw materials and oil products

Energy Management also manages the procurement of crude oil and other raw materials to optimise the refining system and maximise the margin captured. It follows a strategy of supply diversification and of extracting value from the existing asset base.

Crude sources in 2023

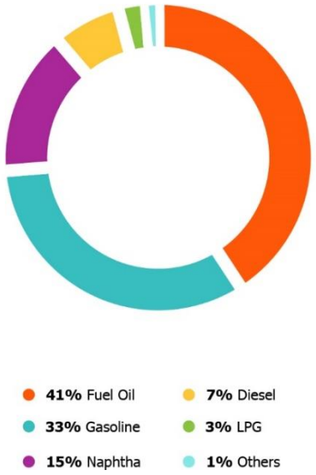


In 2023, Galp imported crude from 9 different countries, with medium and heavy crude oils accounting for 75%. Crude sourcing was almost exclusively of a lower sulphur content and Galp's own equity production accounted for only 5% of the crude oil procured. No raw materials were imported from Russia, and most of the 8.5 mbbl of VGO procured throughout the year originated from the Middle East.

The oil products resulting from our refining and trading activities are channelled into Galp's Commercial business, and externally to other operators and exports. In 2023, volumes sold totalled 14.8 mton. This reflected the reduced availability of the refinery due to planned maintenance, and overall pressure in the market, namely in Spain. Of these volumes, 7.1 mton were sold to Commercial, 3.4 mton to other operators and 3.7 mton were exported.

The US, particularly the East Coast, remained one of the most relevant destinations for the export of heavy gasoline components, thus successfully capturing the upside from its placement across the Atlantic. Fuel oil, gasoline and diesel were the main products exported, and accounted for 31%, 22% and 12% respectively of total exports, mostly to the U.S., Spain and Gibraltar.

Exports per product in 2023



Supply & Trading of Natural Gas

Galp has an active NG/LNG supply and trading business. The Company engages in long-term sourcing activities, from which Midstream supplies its Commercial and trading activities, self-consumption in Industrial operations, and directly electroproducers. Additionally, Galp has an active presence in the Brazilian market, where, in 2022, it started to place third party and own equity associated gas production.

Galp's NG and LNG supplies are mainly sourced through long-term contracts with Sonatrach in Algeria and NLNG in Nigeria. These represented about 89% of the Company's natural gas sourcing for Iberia in 2023. In parallel, Galp also explores other sources of supply, namely the Portuguese, Spanish and French wholesale markets.

NLNG is currently Galp's biggest long-term supplier of natural gas. Galp has secured, up until 2027, the delivery of up to around 3.4 bcm (c.41 TWh) of LNG per annum. From 2027 until 2031, only one contract with NLNG will remain, for the supply of 1 mtpa (c.16 TWh) of LNG.

Regarding the agreement with Sonatrach, Galp will continue to source natural gas from Algeria, via the Medgas pipeline to Iberia. Through this contract, Galp has secured 1 bcm (c.12 TWh) per year for a 5-year period, starting in 2021.

Galp has managed to diversify its natural gas sourcing basket through signing agreements with both Venture Global and NextDecade.

In 2018, Galp signed an agreement with Venture Global LNG for the acquisition of 1 mtpa (c.16 TWh) from the LNG export terminal in Calcasieu Pass, Louisiana in the US over a period of 20 years, although the contract is still due to start.

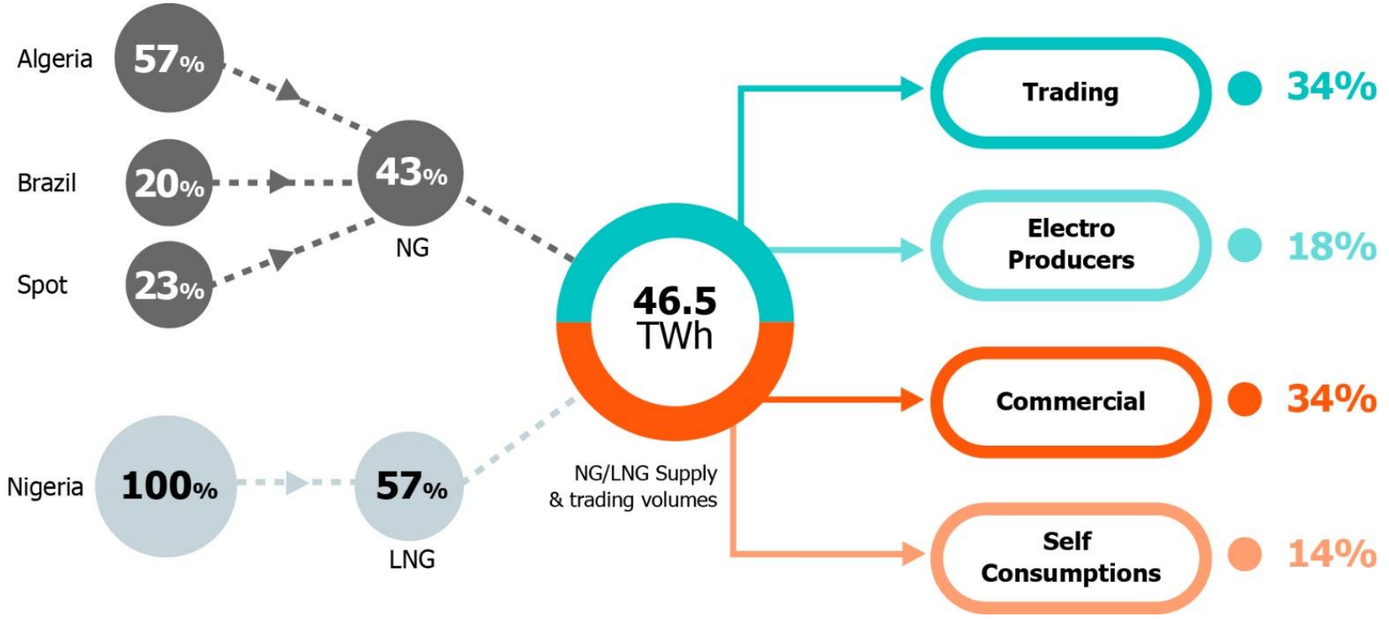
Galp has already agreed to hire an LNG transport vessel from Pan Ocean Co., Ltd for an initial period of 5 years to transport LNG from Venture Global LNG.

In 2022, Galp signed a 20-year sales and purchase agreement with NextDecade to access an additional 1 mtpa (c.16 TWh) of LNG from the US. Commercial deliveries from Next Decade´s Rio Grande LNG (RGLNG) project in Texas are expected to start in 2027.

NG/LNG Supply & trading volumes in 2023

Galp is developing its NG/LNG trading activity in the international market and has also been consolidating its position in natural gas markets in European hubs, namely Spain, France and the Netherlands, through the NG network trading activity.Galp continued to expand its natural gas activities in Brazil, mostly supported on the sale of its associated gas produced in the Upstream operations.

Capturing marketing opportunities in the country, the Company expanded its presence along the natural gas value chain, targeting new clients and creating new business opportunities that contribute to improved realisations of the Upstream associated gas sales.



Galp also entered into third party supply agreements to secure additional volumes in the region. During the year we continued to expand our footprint in the market beyond the equity position, contributing approximately 4 TWh of NG/LNG volumes in 2023, up 105% YoY.

Galp has agreements with Petrobras and local transportation companies to ensure direct access to the processing and transportation infrastructures.

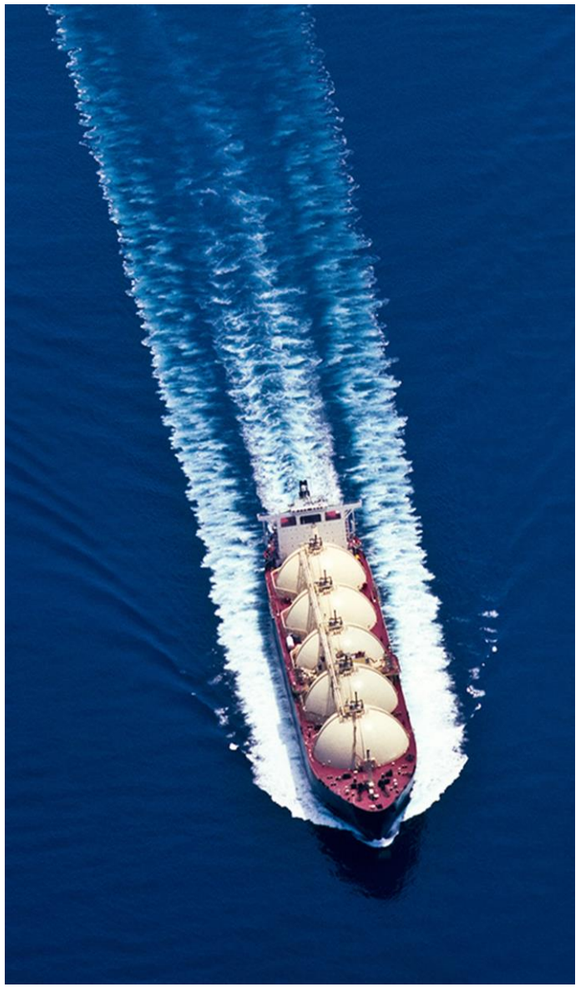
Supply & Trading of Power

In the Iberian Electricity Market (MIBEL), Galp has a presence on the spot market (OMIE) and the forward market (OMIP). The main aim being to optimise Galp's sourcing and renewables production to guarantee the needs of the Commercial business and enable value creation through trading.

Galp currently has long-term contracts for the purchase of renewable energy from solar power plants for a total of approximately 500 GWh per year. This is part of its strategy to ensure a competitive supply of efficient and environmentally sustainable energy solutions.

During the year, the Company entered into several bilateral agreements, mainly with Iberian cogenerations, to perform route-to-market services and ancillaries services.

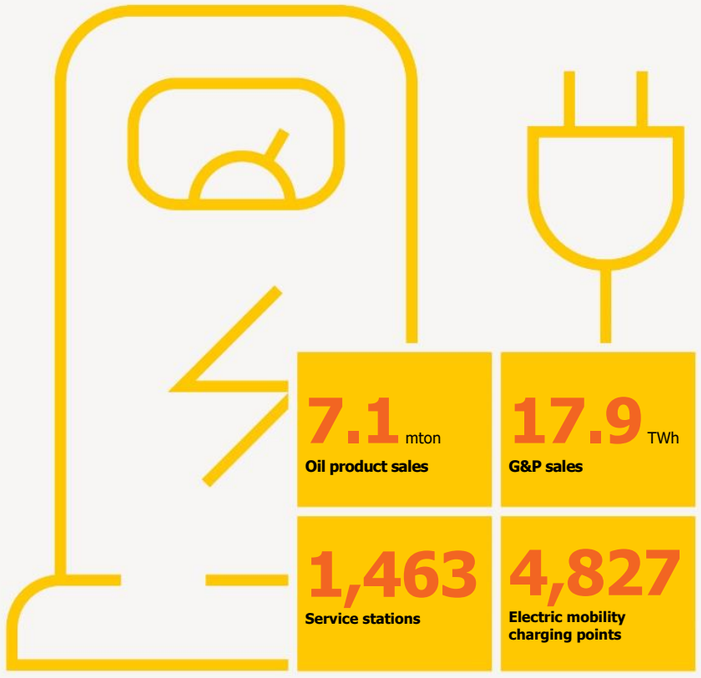
The Company also established a Brazilian Power trading desk at the end of 2022, which focuses on establishing a profitable portfolio in this growing market.



3.4 **Commercial**

2023 Highlights

- Sales of oil products reached 7.1 mton, as a pressured environment in Spain's Enterprise segment was partially offset by improved demand in Portugal, notably in the B2C segment.



- Natural gas and electricity sales reached 13.8 TWh and 4.1 TWh, respectively. This mainly reflects weaker demand in the Iberian Residential and Enterprise segments. Galp reinforced its industrial clients' portfolio, which will make a substantial contribution to natural gas and electricity sales in the years to come.
- In collaboration with Bosch and TJA, Galp launched an innovative 100% renewable fuel and aims to make such solutions available to corporate customers and logistics operators.
- Galp once again confirmed its leadership in electric mobility as its charging network surpasses 4,800 points installed in Iberia.
- Galp continued to expand its customer experience, with 26 new hubs and 169 c-stores retrofitted. Aiming to transform the current service stations in innovative, multi-energy and convenience concepts, the c-store developments enabled an increased contribution of convenience to the Commercial operating results.
- Solar solutions continued to grow in B2C and B2B segments, with a total of 4,847 installations in Portugal and 1,323 in Spain, closing the year with 6,170 cumulative installations, which corresponds to an equivalent installed capacity of c.23 MW.

Main indicators

	2022	2023
Sales of oil products to direct costumers (mton)	7.4	7.1
Natural gas sales to direct costumers (TWh)	19.0	13.8
Electricity sales to direct costumers (TWh)	4.1	4.1
Number of service stations	1,475	1,463
Number of convenience stores	860	852
Number of electric mobility charging points	2,382	4,827
RCA Ebitda (€m)	298	303
RCA Ebit (€m)	75	145
OCF (€m)	290	218
Investment[1] (€m)	113	111

[1] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Commercial

Delivering the energy of today and the solutions of tomorrow

As a leading energy provider in Portugal and with an established position in Spain, Galp is undertaking a structural transformation of its Commercial business. This entails rapidly adapting its offer and products to meet emerging demand trends and reshaping its footprint towards innovative and digitally enhanced multi-energy propositions focused on convenience, non-fuel offerings and an increasingly relevant offer of low carbon products and services in both the B2C and B2B segments.

Galp is at the forefront of supplying tomorrow's energy needs as it is top provider of electric vehicle charging points in Portugal and is rapidly expanding its network in Iberia. It aims to have 10,000 installations by 2025 and is also positioned to exploit the fast-growing decentralized energy market in Iberia.

Galp's Commercial business provides a complete and transversal offer to its direct clients. This ranges from oil products, natural gas, and electricity, as well as other convenience services and multi-energy solutions, such as decentralised solar energy and electric vehicles charging points. Maintaining a customer-centric approach, the Commercial business offers solutions for companies and customers in different geographies while leveraging Galp's strong brand in Iberia and its position in a number of African countries.

Galp's Commercial business is tailored to meet the needs of different clients in the following segments:

- **Mobility** - energy solutions (oil products, electric mobility, and new energies) and retail convenience, supported by a large network of service stations and being a recognised brand in the Iberian market;
- **Residential -** providing natural gas, electricity, and energy efficiency solutions to households. These include liquefied petroleum gas (LPG), complemented by an increasingly relevant offer in the solar and electric-mobility categories;
- **Enterprise -** offering energy solutions to B2B clients across oil products, natural gas and electricity, as well as diversified multi-energy to support clients pave the way for transition to low carbon energies;
- **International** - operating in a selection of African countries, where Galp distributes oil products and LPG through a network of service stations, dealers, and resellers.

Galp is actively adapting to new consumption patterns by offering products and services that are more sustainable and digitally enhanced.

Operational performance in 2023

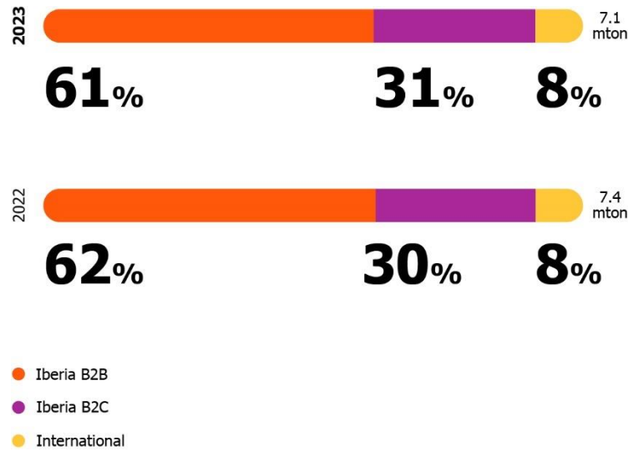
During 2023, Galp continued transforming its retail network to better serve future consumption patterns based on emerging needs. Over 170 convenience stores were revamped in Iberia, with 27 new hub concepts deployed in selected premium locations. This resulted in an increased non-fuel & low-carbon contribution.

In parallel, Galp continued to increase its EV charging network, with 4,827 charging points installed by year end, and to expand its distributed solar footprint, with 6,170 new solar panels installed in Portugal and Spain during 2023.

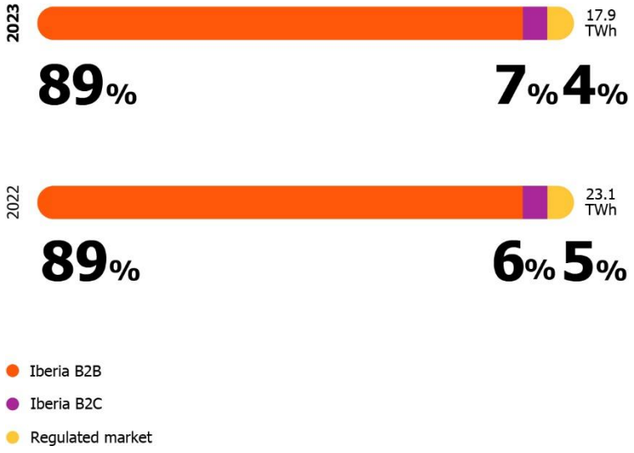
Oil volumes sold to direct customers decreased 4% YoY, to 7.1 mton, reflecting better performance in the B2C segment in Portugal during the period. Although this was offset by the more pressured demand environment in some Enterprise segments in Spain.

Sales of natural gas to direct customers amounted to 13.8 TWh, a decrease of 5.2 TWh YoY. This reflected weaker demand in Iberia. Electricity sales were flattish YoY, at 4.1 TWh, with the demand deterioration in Portugal´s Enterprise segment offset by material growth in electricity sales in Spain.

Oil product sales



Gas & Power sales



Mobility

Galp is the market leader in Portugal with one of the most recognised and trusted brands and also a relevant operator in Spain. It provides energy and services to its mobility customers through oil products, electric mobility, new energies, non-fuels, and convenience products/services.

At the end of 2023, Galp's retail network consisted of a total of 1,257 service stations in Iberia, 697 of which were in Portugal. During the year, Galp consolidated its position in the Portuguese market and maintained a relevant position in Spain, reaching a market share of c.26% and c.4%, respectively.

Galp has 341 convenience stores in Portugal and 371 in Spain and has been renovating and enhancing its network, also offering differentiated products and services and optimising the customer experience. Galp wants to convert all its current retail network within this decade, with digitalisation being the key for simplifying and elevating the customer journey.

To capture further market opportunities, Galp has also been exploring new solutions. These include tapping the electric mobility market, expanding its EV charger network in Iberia to 10,000 installations by 2025. At the end of 2023, it had 4,827 charging points in operation.



Transformation of the store concept

Galp continues to expand the customer experience, aiming to transform existing fuel stations into innovative, multi-energy and convenience concepts by modernising and digitalising them, and also expanding the range of products and services.

Strong partnership opportunities remain part of the commercial strategy in order to extend cross-selling and differentiate Galp's brand as a service provider and diversified retail player. In 2023, Galp partnered with Padaria Portuguesa, a well-established Portuguese food retail brand to provide a tailored bakery & cafeteria offer in some stores. Additionally, through partnership with Amazon, Inpost and CTT (the latter only in Portugal), a pickup point service has also been deployed in Galp's service station network.

Mundo Galp

Mundo Galp (Galp World) is the retail network loyalty program, launched in 2021 and designed to be used via a mobile application and web (https://mundo.galp.com).

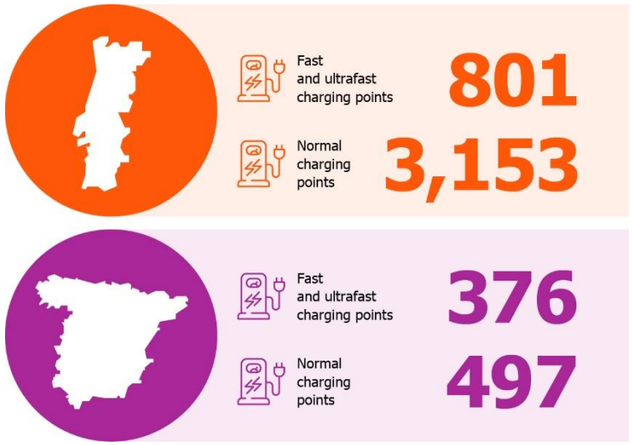
There were more than 1.9 million registrations to Mundo Galp in Iberia, more than double the platform's base in 2022. In partnership with the largest food retail group in Portugal, Sonae, Galp intends to continue growing the relevance of Mundo Galp as a loyalty instrument, and establish it as a key platform to market and deliver meaningful value propositions to clients.

Electric mobility

Galp is a key player in the electric mobility industry in Iberia, operating as a CPO (Charging Point Operator), an energy retailer and a provider of charging solutions. In 2023, Galp reached an electricity volume share of around 17% in Portugal, the main market in which it operates.

In 2023, Galp had 4,827 charging points in Iberia. The Company currently owns the largest network in Portugal, with 3,954 charging points in operation, of which more than 800 are fast and ultra-fast charging points. Galp is also developing its network structure in Spain, with 873 charging points already installed.

During the year, Galp supplied 17.2 GWh of electricity through its charging infrastructure, an increase of 8.3 GWh compared to the previous year.



In 2023, Galp and IKEA joined forces to create the largest network of charging points in private spaces for electric vehicles in Portugal. The agreement foresees the installation of c.280 Galp charging points in the parking lots of IKEA stores.

Galp will continue to focus on expanding its network of charging points in Iberia on its own service station network. It will also identify additional locations in both public and private locations. The Company expects to have 10,000 charging points installed in Iberia by the end of 2025, with this business playing a relevant role in Galp's commercial portfolio transformation to lower-carbon offers.

Residential

Galp serves its residential customers through the integrated offer of natural gas, electricity, and LPG in Iberia. It also provides services aimed at ensuring safety, efficiency, and comfort, as well as supporting the clients with adopting new energy solutions like solar PVs and electric mobility charging points.

In the LPG business, sales of the new Pluma bottle continued to increase. Pluma, the first smart bottle in the world, launched in 2022, allows the customer to check the gas level in real-time via the Mundo Galp app.

Galp supplies natural gas and electricity to more than 355,000 customers in Iberia and is one of the key players in this market. In Portugal it holds a market share of approximately 21% in the natural gas market and approximately 4% in the electricity market.

In Spain, Galp has a presence in the gas and electricity market through a 25% stake in a digital supplier, PODO, which currently has 53,000 customers on a platform that allows a more agile combined supply of gas, electricity, and services.

Galp Solar – distributed energy solutions

Galp has developed a distributed renewable energy production solution, Galp Solar, based on small scale solar power generation systems and services. This aims to maximise energy consumption and efficiency for both B2C and B2B clients.

Galp Solar uses advanced technologies, such as satellite image analysis, artificial intelligence algorithms and big data, to optimise the acquisition and installation costs of distributed solar panels and offers the solution best suited to the customer's needs.

By the end of 2023, Galp had carried out 4,847 installations in Portugal and 1,323 in Spain. At the ending of the year there were 6,170 installations in total, which corresponds to an installed capacity of approximately 23 MW.

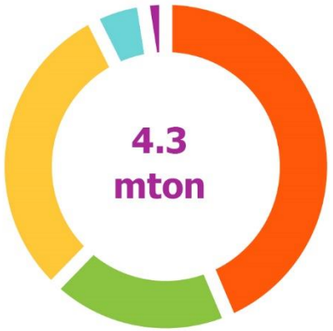
Going forward, the Company will seek to develop new products and services, such as batteries, EV chargers, and home solutions, to capture the high market potential in Iberia.

Enterprise

Galp's offer in the B2B segment in Iberia covers the entire portfolio, including oil products such as fuels, chemicals, and lubricants, as well as natural gas, electricity, new energies, and services. Galp is able to provide a truly integrated multi-energy offer, covering the multiple needs of companies and supporting its clients' journey towards a low-carbon future.

In this segment, the Company serves thousands of customers across Iberia in a variety of sectors including the transportation, marine, aviation, industry, services and public sectors.

2023 Iberian oil product sales in B2B segment



- **44%** Land transportation & distribution
- **18%** Marine bunkers
- **31%** Aviation
- **5%** Industry
- **2%** Others

The Company promotes energy efficiency solutions and low carbon products, as well as technical services aimed at optimising and reducing energy consumption by installing more efficient equipment.

After being the first supplier in Portugal to provide SAF and Marine fuels (HVO) during 2023, Galp unveiled a new 100% renewable diesel fuel in partnership with Bosch and TJA. Galp's new 100% renewable diesel is a low-carbon biofuel derived from residual or advanced raw materials, such as used cooking oils and animal fat residues. This allows for a reduction of CO_2 emissions of up to 90% (product lifecycle) compared to fossil diesel. Its use in vehicles with internal combustion diesel engines is identical to that of conventional diesel.

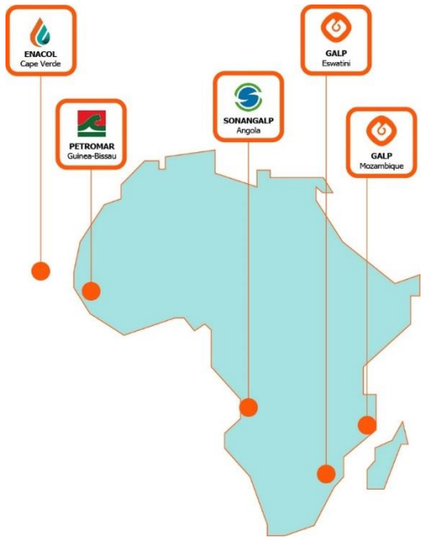
In the enterprise segment, Galp's offer also includes auditing, training, and energy efficiency certification, as well as technical services to optimise and reduce energy consumption by installing more efficient equipment, such as lighting, charging stations and solar panels, among others.

International

Galp currently operates in Africa through its stakes in five companies. It is the market leader in Cape Verde and Guinea and has a relevant position on the other countries where it operates. Each company focuses on a specific country, allowing brands to adjust their marketing and operations to different market scenarios and maximise value for customers in each region.

The Company has been consolidating its position in a selected group of African countries, where significant market growth is anticipated. The quality of the products, as well as the geographical location and synergies with the existing logistic and business capacities, serve as key competitive advantages that contribute to the development of Galp's presence in these countries.

During the year, the Company increased its network to a total of 206 service stations and 140 convenience stores spread across the five African countries.



Daloop

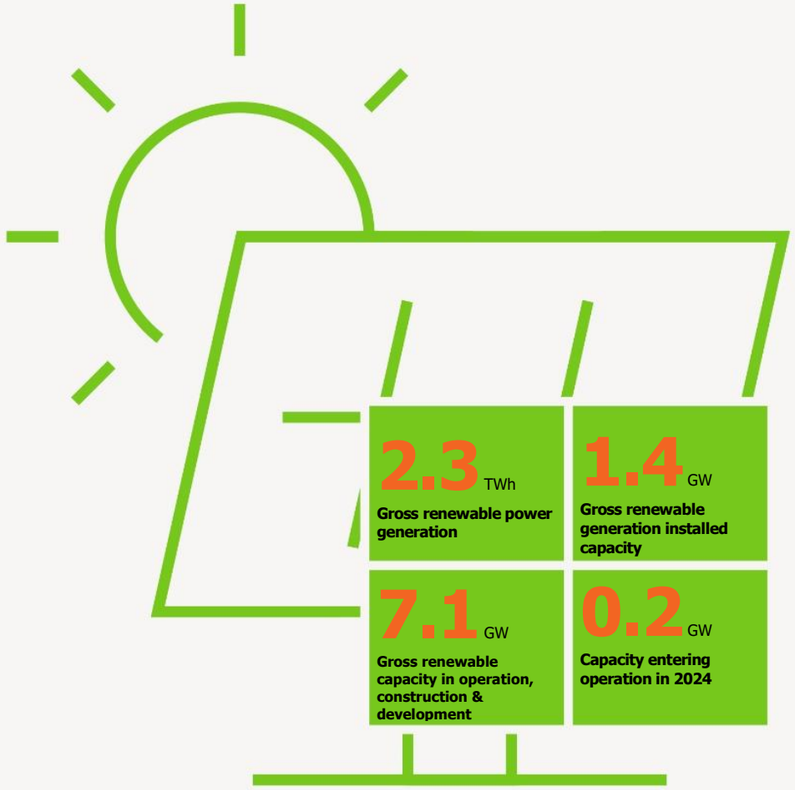
Daloop offers a Software as Service (SaaS) platform for managing EV charging infrastructure and fleets. Daloop provides this platform to various entities such as charge point operators, mobility service providers, utilities, and facilities. It offers them the necessary tools to securely expand and implement solutions for the fast-growing EV ecosystem.

In 2023, Daloop provided strategic solutions to support Galp's Electric Mobility business unit and secured relevant international customers Daloop will continue to play an important strategic role in the development of Galp's digital capabilities across its different businesses and operations while expanding its SaaS solutions to international markets.

3.5 **Renewables & New Businesses**

2023 Highlights

- Renewable power generation was up 21% YoY on a comparable basis, mostly on the back of increased installed capacity.
- Galp's first integrated solar park in Portugal was inaugurated with a total installed capacity of >140 MWp.
- Galp pushed forward its hybridisation and storage projects, namely through a 0.5 GW onshore wind plant and taking a FID on a storage pilot.
- A Memorandum of Understanding was signed with TES to assess installation of lithium-ion battery recycling units in Iberia.
- Aurora project engineering progressed with a Detailed Engineering Study due to be completed in 1Q24.
- Corporate Venture Capital invested $5 m in Verdagy's ground-breaking electrolyser technology for green hydrogen production.



Main indicators

	2022	2023
Renewable installed capacity[1] (GW)	1.4	1.4
Renewable power generation[1] (GWh)	1,930	2,338
Avoided CO_2e emissions (ktonCO_2e)	309	271
RCA Ebitda (€m)	50	131
Pro-forma Renewables RCA Ebitda[2] (€m)	180	143
Pro-forma Renewables RCA Ebit[2] (€m)	148	35
Pro-forma Renewables OCF[2] (€m)	168	129
Investment[3] (€m)	402	142

[1] Corresponds, on a 100% basis, to the installed capacity of renewable electricity generation projects at the end of the year.
[2] Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.
[3] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Developing a competitive platform to support integration across the value chain

The Renewables & New Businesses unit targets the development of a sustainable and diversified portfolio of renewable energy generation solutions. This is leveraged by exploring synergies with the Company's other businesses. Galp explores different growth opportunities in the markets where it is present, yielding a unique portfolio that is a key part of Galp's energy transition trajectory and ambitions to reduce its carbon footprint. In addition, the Company identifies, assesses, and develops new business opportunities in the energy space and seeks to add new value pools to current businesses.

Renewables

As part of its low carbon strategy, Galp's Renewables & New Businesses unit has already successfully deployed a relevant portfolio and established itself as one of the largest solar photovoltaic energy producers in Iberia.

In 2023, compared to 2022, Galp increased its global renewable energy generation from 1.9 TWh to 2.3 TWh. Solar generation makes up almost all of Galp's renewables production.

The Company's solar portfolio includes projects in operation, under construction and at earlier stages of development, in Spain, Portugal and Brazil.

During 2023, Galp streamlined its projects pipeline, applying a disciplined and selective investment criterion to ensure adequate returns from its projects. The Company aims to continue growing its renewables position, while focusing on safe and timely execution of its pipeline. The expansion plan is selective and focused on the existing pipeline, whilst at the same time de-risking and pursuing diversification options that are a strategic fit with the current portfolio.

Galp's renewable strategy involves balancing its presence in its core markets, where integration can represent a competitive advantage, in order to secure a long-term sustainable portfolio adjusted to the natural market profile. It is actively pursuing energy management projects, capital structure optimisation and asset rotation by leveraging the Company's integrated business model.

Diversifying technologies is important for building a more resilient low-carbon business, including exploring hybridisation and storage opportunities. Galp already has 0.5 GW onshore wind hybridisation projects at an advanced stage of development and has taken the FID to install a utility-scale battery energy storage system pilot, both of which will determine our portfolio diversification strategy.

Developing and increasing renewables will be increasingly important for Galp's integration across the energy value chain, as power needs from industrial assets and commercial clients are expected to continue increasing.

Renewables portfolio

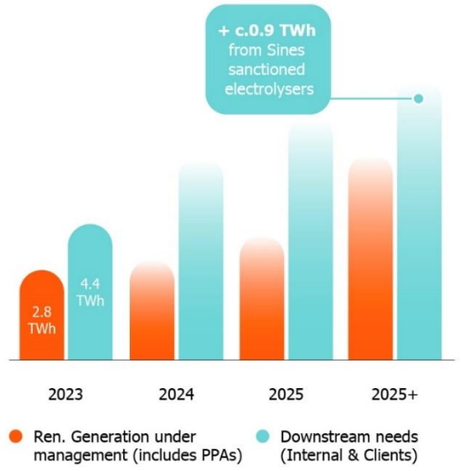
Galp Renewable capacity (GW)	In Operation	Under Construction	Under Development	Total
Gross	**1.4**	**0.2**	**5.5**	**7.1**
Spain	1.3	0.2	2.0	3.5
Portugal	0.2	0.0	0.8	1.0
Brazil	0.0	0.0	2.6	2.6

Considers a portfolio of projects in very early stages of development and without significant commitments, with the development up to the construction phase dependent on the Company's assessment.

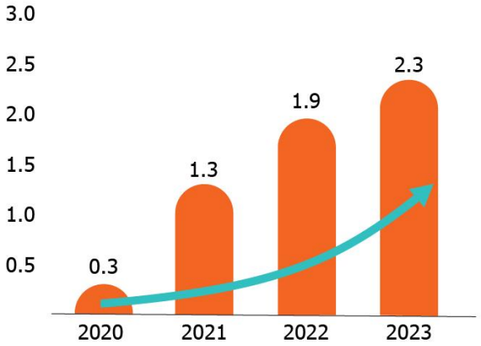
Project	Country	Region	Capacity (MW)	Status
Projects in operation and under construction				
Alcazar	Spain	Castile la Mancha	190	In operation
Alcazar I, II, III	Spain	Castile la Mancha	150	In operation
Almaraz	Spain	Caceres	50	Under construction
Aragón	Spain	Aragon	725	In operation
Ictio Solar	Spain	Castile la Mancha	50	In operation
Logro	Spain	Aragon	50	In operation
Manzanares	Spain	Castile la Mancha	36	In operation
Perea & Vegon	Spain	Castile la Mancha	100	Under construction
Pitarco	Spain	Aragon	62	In operation
Toledo & Ahin	Spain	Castile la Mancha	65	Under construction
Alco	Portugal	Algarve	144	In operation
Vale Grande (wind)	Portugal	Coimbra	12	In operation

In 2023, Galp managed 2.8 TWh, including c.0.5 TWh from 3rd party PPAs, while its power needs amounted to 4.4 TWh.

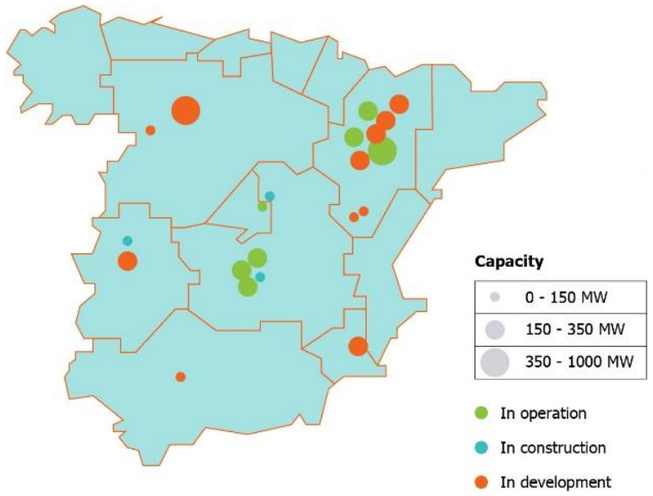
Organic portfolio build-up



Renewable electricity generation (TWh)

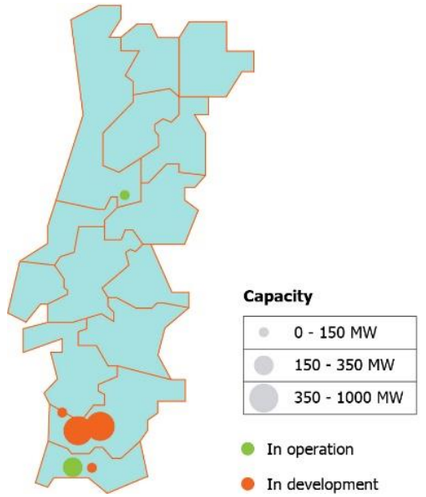


Spain



Galp's Spanish renewable pipeline is entirely solar with 3.5 GWp, 1.3 GWp of which are installed and in operation. During 2023, persistent licensing delays continued to impact the installation of new capacity and the start of construction. Galp successfully added 50 MWp to its total installed capacity and, in 2023, total solar energy generation in Spain amounted to 2.1 TWh, a 12% increase compared to 2022.

Portugal



In Portugal, Galp's solar PV portfolio includes a >140 MWp plant in Alcoutim, Galp's first solar project in the country, where the first battery storage project pilot will also be deployed. The Portuguese solar pipeline also includes c.430 MWp in Ourique and 10 MWp in Odemira, both in Alentejo, which are in different stages of development. On top of the solar portfolio in Portugal, Galp also owns an approximately 10 MW wind farm operating in Arganil.

In 2023, Galp's first full year of solar generation in Portugal, renewables production amounted to c.260 GWh.

New Businesses

Galp is actively identifying and developing new business opportunities with the potential to drive growth and profitability in areas related to sustainability, energy transition, transportation, infrastructure and production.

Battery Value Chain (BVC)

Energy storage technologies will play a fundamental role in paving the way for a sustainable transition, as the EU aims to become active in lithium-ion battery production and electric mobility. Europe's path to net zero requires a major push to electrify industries, with the transportation and e-mobility areas having been identified as those where the greatest benefits can be achieved.

Portugal has the potential to develop an integrated value chain around batteries, given the availability of endogenous renewable resources, lithium spodumene, nearby automotive capacity and its infrastructure and geographic position. Galp is in a privileged position to participate in the development of a local and integrated value chain due to its experience of operating large-scale industrial businesses and chemical processes, raw material sourcing and trading, renewable energies expertise and highly skilled workforce.

Galp has taken a significant first step towards being one of the first to exploit the lithium processing segment of the battery value chain. Galp and Northvolt set up the joint venture Aurora to build and operate a lithium processing facility in Portugal. This has the capacity to produce up to 35 kton of lithium hydroxide a year, sufficient for 50 GWh of battery production per year (approximately 700 k electric vehicles per year).

The project will use a proven conversion process and leverage recent process improvements and technologies to increase sustainability and efficiency. The Aurora JV is seeking to enable the use of green energy to power the conversion process, thereby minimising reliance on the conventional natural-gas-powered approach. The project is moving ahead, with a focus on developing a solid engineering blueprint to ensure project execution quality. The definitive feasibility study is expected to be complete in the first half of 2024.

In addition to lithium processing, Galp is actively assessing entering other parts of the battery value chain. In 2023, the Company signed a Memorandum of Understanding with Singapore-based battery recycling company TES, to jointly evaluate the feasibility of launching lithium-ion battery recycling operations in Iberia.

Galp continues to explore other business opportunities in the growing battery value chain, leveraging the expertise and strong network it acquired whilst developing the Aurora project and also the current social, political and financial support for projects that enable the energy transition.

Corporate Venture Capital and Other Businesses

Galp's first venture capital commitment to the European fund of the US-based firm Energy Impact Partners in 2020, was followed, in 2022, by its first direct investment in 6K, Inc., an advanced materials producer, and 2023 saw Galp secure its second venture capital direct investment.

Galp invested $5 m in Verdagy to accelerate the development and commercialisation of an electrolyser module less dependent on raw materials than other electrolysis technologies. The technology is expected to significantly lower the capex and opex of an electrolyser.

After validating the technology, 6K Inc. has now broken new ground with its first industrial facility to produce clean and low cost battery materials at scale in Tennessee, USA, with the start of operations expected for 2025. This unit aims to be the first in a series of plants, and provides a blueprint for expedited replication.

Throughout the year, Galp continued to monitor and assess investment opportunities targeting areas of high strategic relevance for the Company's ambitions for energy transition. In addition to the financial attractiveness of Galp's venture capital investments, exposure to the entrepreneurial and innovation ecosystem has resulted in several commercial collaborations with disruptive start-ups as well as relevant leads for the development of new business opportunities.

Innovation

The Innovation team's mission is to create opportunities to support the business units with innovative solutions for cleaner energy and faster decarbonisation. By testing new ideas and collaborating with the innovation community, Galp aims to test and validate solutions that could have the potential to generate new profit streams.

Through its Innovation team, Galp also strengthens its partnerships with customers, suppliers, research centres and universities to accelerate the energy transition and offer efficient energy solutions.

Our innovation projects prioritise optimising processes, promoting circularity and sustainability while smartly integrating resources and materials.

In 2023, Galp's innovation model successfully completed 12 impact innovative projects. It collaborated with over 55 startups and more than 100 research institutions, and 5 innovation projects were scaled projects that open up promising business opportunities.

Over half of the new projects in 2023 focused on reducing carbon emissions.

INTEGRATED MANAGEMENT REPORT 2023

DELIVERING ENERGY FOR BALANCE



4. Financial performance

4.1 **2023 highlights**

Galp's RCA Ebitda was €3,558 m, reflecting robust operating performance across all business units, whilst OCF amounted to €2,269 m.

Economic capex was €1,076 m, mostly directed towards upstream growth, downstream transformation and building renewables capacity. Investments in Portugal represented 1/3 of total spending, most allocated to the FID of two world-class projects in Sines, namely 100 MW electrolysers for green hydrogen and an advanced biofuels unit (HVO/SAF), growing electric mobility and modernising the retail network.

Net capex totalled €859 m, considering €209 m of downpayment and other inflows related to the ongoing disposal of Angolan upstream assets.

Free Cash Flow amounted to €1,373 m, covering dividends to non-controlling interests of €169 m, dividends paid to shareholders of €422 m and €500 m of share buybacks.

Net debt was reduced to €1.4 bn, further strengthening Galp's financial position whilst executing an ambitious growth and transformational investment plan. At the end of the period, net debt to RCA Ebitda was 0.4x.

Ebitda and Ebit by business segment in 2023

€m

	IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda
Galp	3,710	59	3,769	(211)	3,558
Upstream	2,488	-	2,488	(225)	2,263
Industrial & Midstream	886	43	929	-	929
Commercial	275	15	290	13	303
Renewables & New Businesses	131	-	131	-	131
Others	(69)	(0)	(69)	-	(69)

€m

	IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit
Galp	2,618	59	2,676	(207)	2,469
Upstream	1,960	-	1,960	(221)	1,739
Industrial & Midstream	650	43	693	-	693
Commercial	117	15	132	13	145
Renewables & New Businesses	18	-	18	-	18
Others	(126)	(0)	(126)	-	(126)

4.2 **Operating performance**

Upstream

RCA Ebitda was €2,263 m, down 27% YoY after the exclusion of any contribution from Angolan upstream assets and also reflecting the lower oil and gas pricing context.

Production costs were €105 m, excluding IFRS 16 leases, or $2.6/boe on a net entitlement basis. IFRS 16 leases during the period amounted to €158 m.

Amortisation and depreciation charges (including right-of-use of assets) amounted to €524 m, lower YoY, following the classification of the Angolan assets as held for sale, and considering the exploration and appraisal impairments booked throughout 2022. On a net entitlement basis, unit DD&A was $12.7/boe.

RCA Ebit was €1,739 m, down 22% YoY, while IFRS Ebit amounted to €1,960 m, with special items mostly related to the Angolan upstream assets, booked under "non-current assets held for sale" until completion of the transaction.

Industrial & Midstream

RCA Ebitda for Industrial & Midstream was €929 m, €478 m higher YoY, mostly reflecting the improved contribution from Midstream trading activities. OCF was €764 m.

Galp's refining margin was down 5% YoY, to $11.0/boe, as the less supportive international oil products cracks were partially offset by the normalisation of energy costs. Refining unit cash costs increased YoY to $4.5/boe, reflecting the planned maintenance activities performed in Sines during 1Q23 and 4Q23, and impacted by inflation.

Midstream was supported by the robust performance of natural gas trading activities after significant unplanned impacts driven by the gas market context in 2022, as well as by the positive contribution from the supply and trading of oil and power.

RCA Ebit was €693 m, although this included impairments and provisions of €116 m during the year. IFRS Ebit was €650 m.

Commercial

RCA Ebitda increased 2% YoY to €303 m, driven by the increased contribution of non-fuel and lower carbon businesses, already representing 33% of the Commercial Ebitda, and benefiting from a record high performance in segments such as convenience, gas and power.

RCA Ebit was €145 m, up 94% YoY, considering the impairments registered in 4Q22. IFRS Ebit was €117 m.

Renewables & New Businesses

Renewables & New Businesses RCA Ebitda was €131 m. During the period, Galp's realised sale price was €80/MWh, down from €143/MWh in 2022, mostly reflecting the lower Iberian market wholesale prices.

RCA Ebit was €18 m, including €59 m of impairments related to the renewables portfolio under development in Brazil in the light of the challenging market conditions in the country.

OCF amounted to €138 m. On a last 12 months basis, a 14% return was achieved on €0.9 bn of invested capital (on operating assets as of 31 December 2023).

4.3 **Consolidated income**

Consolidated income (RCA, except otherwise stated)

€m

	2022	2023	% Var
Turnover	26,840	20,769	(23%)
Cost of goods sold	(20,956)	(14,523)	(31%)
Supply & services	(1,888)	(2,167)	15%
Personnel costs	(370)	(449)	22%
Other operating revenues (expenses)	232	(30)	n.m.
Impairments on accounts receivable	(9)	(43)	n.m.
RCA Ebitda	**3,849**	**3,558**	**(8%)**
IFRS Ebitda	**3,885**	**3,710**	**(4%)**
Depreciation, amortisation and impairments	(1,380)	(983)	(29%)
Provisions	(124)	(105)	(15%)
RCA Ebit	**2,345**	**2,469**	**5%**
IFRS Ebit	**2,381**	**2,618**	**10%**
Net income from associates	166	2	(99%)
Financial results	(154)	(62)	(60%)
Net interests	(16)	6	n.m.
Capitalised interest	30	49	62%
Exchange gain (loss)	10	30	n.m.
Mark-to-market of derivatives	(80)	-	n.m.
Lease interest (IFRS 16)	(85)	(102)	21%
Other financial costs/income	(13)	(44)	n.m.
RCA Net income before taxes and minority interests	**2,358**	**2,409**	**2%**
Taxes	(1,254)	(1,227)	(2%)
Taxes on oil and natural gas production[1]	(843)	(615)	(27%)
Non-controlling interests	(223)	(180)	(19%)
RCA Net income	**881**	**1,002**	**14%**
Non-recurring items	560	278	(50%)
RC Net income	**1,440**	**1,280**	**(11%)**
Inventory effect	35	(38)	n.m.
IFRS Net income	**1,475**	**1,242**	**(16%)**

[1] Includes taxes on oil and natural gas production, such as SPT payable in Brazil (also IRP payable in Angola until 2022).

RCA Ebitda of €3,558 m, down 8% YoY, with continued strong operating performance in a softer commodity price environment, as well as the effects of the exclusion of the Angolan upstream contribution.

Following RCA Ebitda, RCA Ebit was €2,469 m, although this included €265 m in impairments and provisions.

Financial results were €-62 m, with interest on leases being partially offset by exchange gains.

RCA taxes were €1,227 m, reflecting extraordinary taxes of €75 m applicable to Iberian activities (windfall, CESE and FNEE), as well as €64 m related to the temporary Brazilian levy on oil exports which was applicable from March to the end of June.

Non-controlling interests were €-180 m, related to Sinopec's stake in Petrogal Brasil.

RCA net income was €1,002 m, while IFRS net income was €1,242 m, considering an inventory effect of €-38 m and special items of €278 m.

4.4 **Capital expenditure**

Capex, not considering divestments, totalled €1,076 m in 2023. Upstream accounted for 54% of total investments, whilst the downstream activities represented 29% and Renewables & New Businesses 13%.

Upstream investments were mainly directed to Brazil, namely Bacalhau and BM-S-11, as well as the start of the exploration campaign in Namibia.

Industrial & Midstream investments were mostly directed to initiatives to improve the efficiency of the refining system and to carry out maintenance activities.

Commercial investments were allocated to the business transformation.

Investments within the Renewables & New Businesses segment supported the execution of solar projects.

During 2023, capex directed to developments in the low-to-no carbon energy space accounted for 21% of total investments, whilst about 1/3 of investments were deployed in Portugal.

Capital expenditure by segment

€m

	2022	2023	Var.
Upstream	640	585	(9%)
Industrial & Midstream	72	196	n.m.
Commercial	113	111	(2%)
Renewables & New Businesses	402	142	(65%)
Others	39	41	7%
Capex[1]	**1,265**	**1,076**	**(15%)**

[1] Capex figures based on change in assets during the period.

4.5 **Cash flow**

Galp's OCF was €2,269 m, considering the robust business performance and despite the increased tax payments, which include €207 m related to extraordinary taxes, namely Iberian windfall taxes, and the temporary Brazilian levy on oil exports and CESE.

Net capex totalled €859 m, including a €209 m inflow related to the Angolan upstream asset disposal agreement, namely its downpayment, together with interim distributions from the subsidiaries held for sale (to be deducted from the agreed sale price on completion).

FCF amounted to €1,373 m. Dividends to shareholders and non-controlling interests amounted to €422 m and €169 m, respectively, and a €500 m share buyback programme was executed. Net debt decreased €155 m compared to the end of the previous year.

Cash flow (IFRS figures except otherwise stated)

€m

	2022	2023
RCA Ebitda	3,849	3,558
Dividends from associates	26	31
Taxes paid	(1,087)	(1,320)
Adjusted operating cash flow[1]	**2,788**	**2,269**
Special items	-	(13)
Inventory effect	36	(59)
Change in working capital	247	179
Cash flow from operations	**3,071**	**2,376**
Net capex	(1,266)	(859)
o.w. Divestments[2]	-	209
Net financial expenses	(39)	(42)
IFRS 16 lease interest	(85)	(102)
Free cash flow	**1,681**	**1,373**
Dividends paid to non-controlling interests[3]	(245)	(169)
Dividends paid to Galp shareholders	(420)	(422)
Buybacks[4]	(150)	(500)
Reimbursement of IFRS 16 leases principal	(132)	(157)
Others	69	30
Change in net debt	**(802)**	**(155)**

[1] Considers adjustments to exclude contribution from Angolan assets held for sale.
[2] 2023 includes proceeds from the Angolan upstream assets sale.
[3] Mainly dividends paid to Sinopec.
[4] Related to the 2022 fiscal year, share repurchase programme of €500 m started in February and completed in December 2023. On completion of the programme, Galp acquired the equivalent of 5.16% of its share capital at the time. All shares were repurchased for the sole purpose of cancellation.

4.6 **Financial position**

On December 31, 2023, net fixed assets were €7,273 m, including work-in-progress of €2.5 bn, mostly related to the Upstream business. Right-of-use of assets increased following the recognition of the Coral Sul FLNG lease (IFRS 16), amounting to €475 m (which also led to an increase in IFRS 16 lease obligations).

Assets/liabilities held for sale are entirely related to the net position of the Angola upstream portfolio.

Equity was up €214 m YoY, supported by the IFRS net income and results attributed to minorities in the period, although partially offset by dividends to shareholders and non-controlling interest, and the completed buyback programme.

Consolidated financial position

€m

	2022	2023	Var.
Net fixed assets	6,876	7,273	397
Rights of use assets (IFRS 16)	1,116	1,630	514
Working capital	1,632	1,453	(179)
Other assets/liabilities	(2,089)	(2,257)	(167)
Assets/liabilities held for sale	413	440	27
Capital employed	**7,948**	**8,540**	**592**
Short term debt	800	575	(225)
Medium-Long term debt	3,187	3,026	(162)
Total debt	**3,987**	**3,600**	**(387)**
Cash and equivalents	2,432	2,200	(232)
Net debt	**1,555**	**1,400**	**(155)**
Leases liabilities (IFRS 16)	1,277	1,810	533
Equity	5,117	5,330	214
Equity, net debt and leases	**7,948**	**8,540**	**592**

INTEGRATED MANAGEMENT REPORT 2023

DELIVERING ENERGY FOR PEOPLE



5. Corporate governance

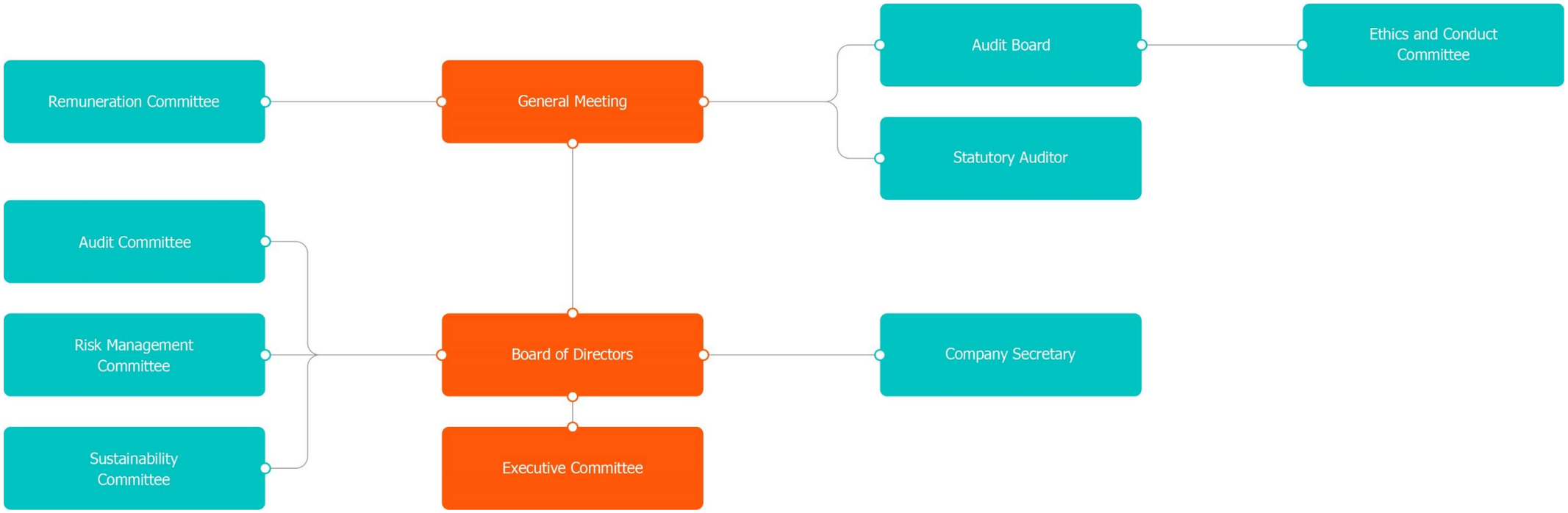
5.1 **Governance model**

Galp adopts the single-tier corporate governance model, which comprises:

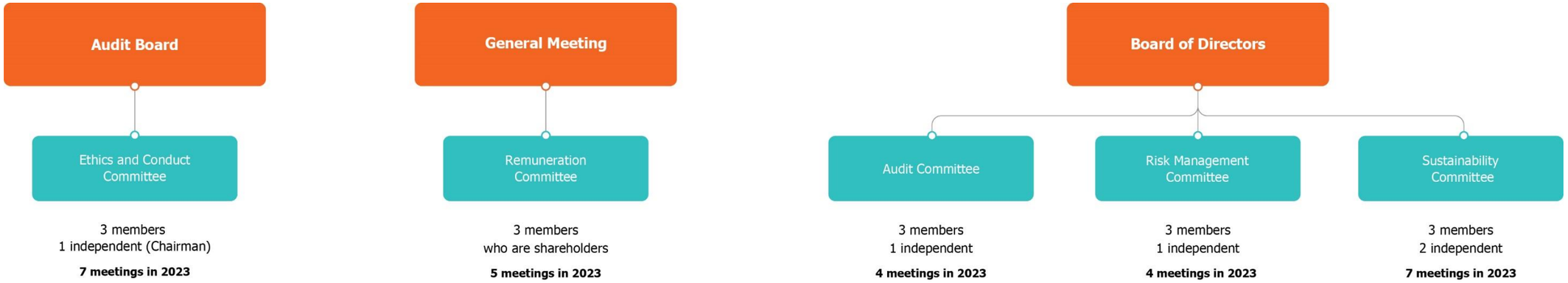
- The General Meeting attended by the Company's shareholders;
- The Management, comprising a Board of Directors and an Executive Committee with powers delegated by the former;
- Supervision, which includes an Audit Board and a Statutory Auditor; and
- The Company Secretary, in charge of specialised support to the corporate bodies.

The Galp governance model is intended to ensure the transparency and efficiency of the Group's operations. It is based on the separation of management powers and supervisory powers. While the Board of Directors is responsible for the supervision, control and monitoring of strategic guidelines, the Executive Committee – appointed by the Board of Directors – focuses on the day-to-day management of the business, including the corporate centre.

The supervisory powers of the Board of Directors are bolstered by the existence of a Lead Independent Director and three committees created within the Board, comprised exclusively of non-executive directors. These committees provide support on key issues related to its supervisory role.



The Company also has other specialised committees dedicated to relevant issues, namely the Ethics and Conduct Committee and the Remuneration Committee.

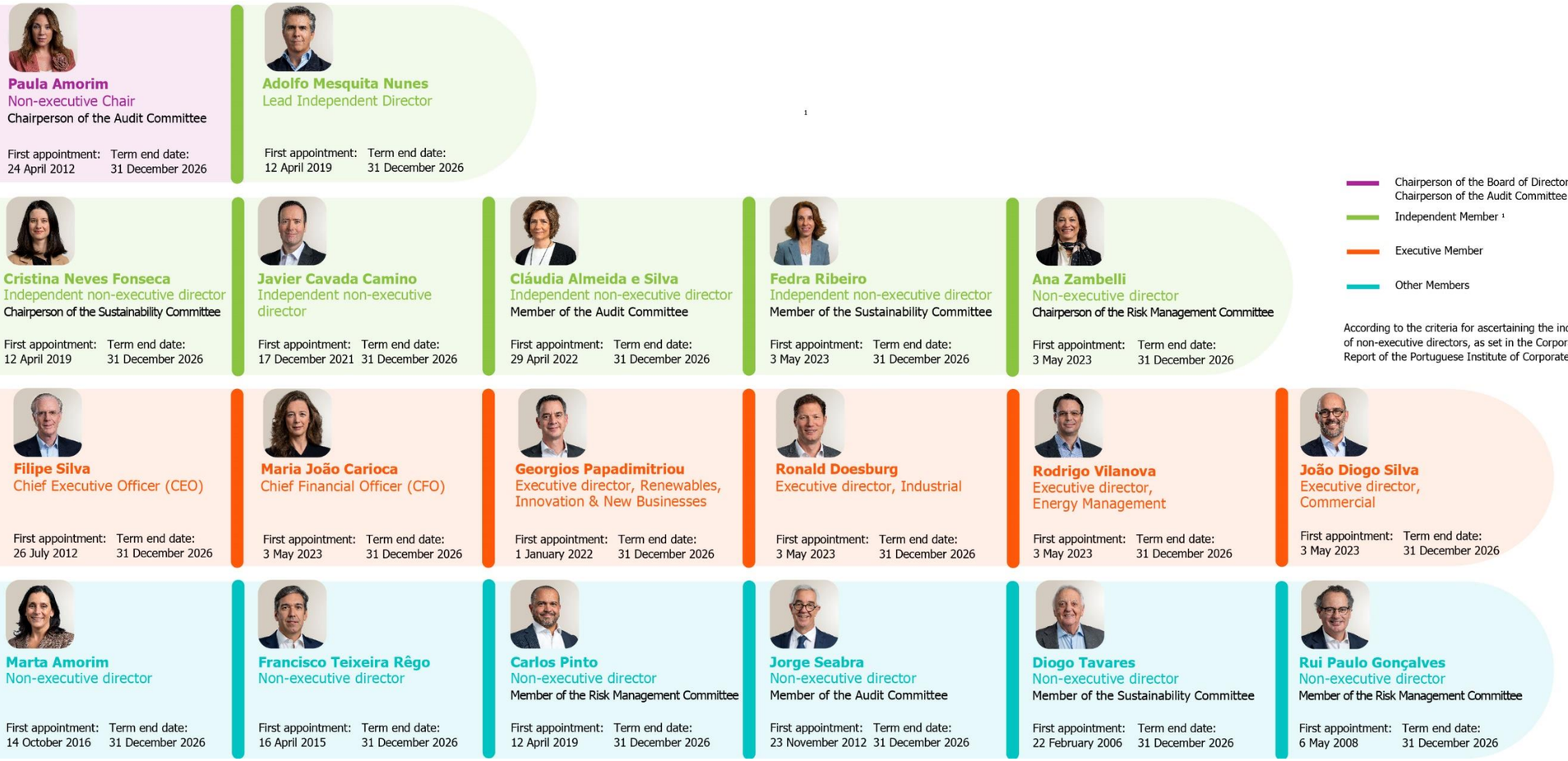


Duties				
Ethics and Conduct Committee	**Remuneration Committee**	**Audit Committee**	**Risk Management Committee**	**Sustainability Committee**
Monitors implementation of the Code of Ethics and Conduct, clarifying questions about its application and reception and processing irregularity reports through the "Open talk" ethics line.	Proposes to the General Meeting the remuneration policy of the members of the corporate bodies and the annual performance review of executive directors.	Responsible for the oversight of the internal audit system.	Monitors Galp's risk management system.	Monitors the integration of sustainability principles into the management process.

For more details on the governance model, please refer to Part III of this report – Corporate Governance Report.

5.2 **Corporate bodies**

Our Board of Directors



The Board of Directors has 13 non-executive directors, who represent 68% of the total number of directors, six of whom are independent (46%). This constitutes an adequate number of non-executive and independent directors in view of the governance model adopted by the Company, Galp's shareholder structure, the respective free float, the size of the Company and the complexity of the risks inherent to its activity, in accordance with the recommendations of Portuguese Institute of Corporate Governance's (IPCG) Corporate Governance Code.

Diversity within the Board of Directors

- Age: 36 to 78;
- Gender: 37% female;
- Geographical: 6 nationalities;
- Independence: 46% of non-executive directors.

The Diversity Policy for management and supervisory bodies approved by the Board of Directors on 15 December 2017 had an impact on the appointment of members of the Board of Directors made after that date. Individuals elected the Board of Directors, in addition to age, gender and geographical diversity, possess a variety of skills, academic backgrounds and professional experience, as shown in the figure below. These are suited to Galp's activities and strategy, indicating effective diversity within the Board of Directors, which plays a relevant role in the Company's decision-making process.

Powers of the Board of Directors

- Supervision, control and monitoring of strategic guidelines;
- Monitoring the management and the relationship between shareholders and the other corporate bodies; and
- Deciding on matters of its exclusive competence (non-delegated to the Executive Committee) – and which enable it to promote the definition and monitoring of Galp's strategic guidelines.

For further information on the powers of the members of the Board of Directors, refer to Section 19 of Part III of this report - Corporate Governance Report.

Election

Under Portuguese law and the Company Bylaws, members of the Board of Directors are elected by the shareholders at a General Meeting for four calendar years. This is done as a list election, with votes being cast for the entire list rather than for individual candidates. Each director continuity in office depends on his or her annual performance appraisal. This is determined by a vote of praise and/or confidence. If the annual appraisal is not positive, as manifested by a vote of no confidence, this may lead to the dismissal of the director in question, as provided for by law.

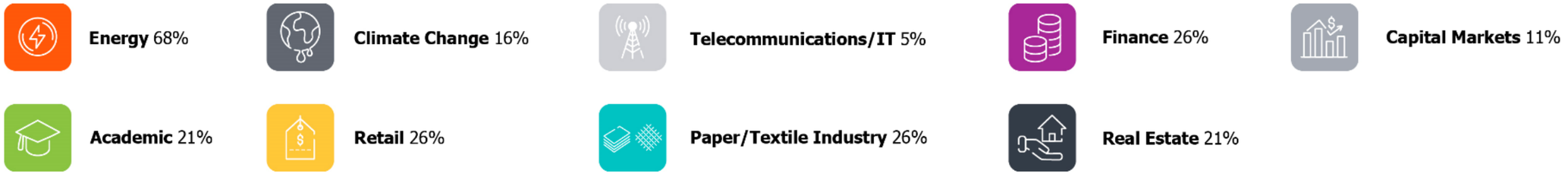
Limitation of positions

All members of the Board of Directors must be available as required to exercise their duties. It is therefore stipulated in the respective internal regulations that non-executive directors cannot hold management positions in more than four companies with shares admitted to trading on a regulated market that are not part of the Galp Group.

Performance review

The Board of Directors annually assesses its performance and the performance of its committees. This review takes into account compliance with the Company's strategic plan and budget, risk management, internal functioning and the contribution of each member to those goals, as well as the relationship of the Board of Directors with its committees.

- Board of Directors meetings held in 2023: 9
- Resolutions approved through votes cast by electronic communications in 2023: 2
- Attendance: 97% (not counting presence by representation)



Powers of the Executive Committee

The Executive Committee is responsible for the day-to-day management of the business and of the corporate centre, in accordance with the delegation of powers, the strategic guidelines defined by the Board of Directors as well as the functional delegation of powers relating to the business and activities of the Company and of the Group companies to each member of the Executive Committee set by the Chief Executive Officer (CEO).

Performance review

The executive directors are evaluated annually by the Remuneration Committee, based on compliance with certain economic, financial, operational and safety and environmental sustainability objectives. These are defined in the remuneration policy proposed by the Remuneration Committee and approved by the General Meeting.

Limitation of positions

According to the internal regulations of the Board of Directors, the members of the Executive Committee shall not hold executive positions in listed companies that are not part of Galp Group.

- Number of executive Committee meetings held in 2023: 28
- Number of resolutions approved by electronic voting in 2023: 2
- Attendance: 100%

Our Executive Committee



CEO
Filipe Silva

- Upstream
- Strategy & M&A
- People and Spaces
- Legal Affairs
- External Affairs & Communication
- Safety & Quality
- Brazil Country Manager
- Matosinhos Project



CFO
Maria João Carioca

- Corporate Finance
- Planning & Performance
- Accounting & Tax
- Investor Relations & Sustainability
- Risk Management & Internal Controls
- Tech, Data & Business Transformation
- Procurement & Contracting
- Internal Audit



Executive director RINB
Georgios Papadimitriou

- Business Office RINB
- Renewables
- New Business
- Aurora JV
- Innovation



Executive director Industrial
Ronald Doesburg

- Business Office, Digital & HSE
- Refining
- Refinery Optimisation & Logistics
- Project Office
- H2, HVO & e-fuels



Executive director Energy Management
Rodrigo Vilanova

- Business Office EM
- Trading Operations
- Oil, Products & Biofuels
- NG & LNG
- Euro Power
- Derivates & Environmental Products
- Shipping & Portfolio Optimization
- Supply & Trade Americas



Executive director Commercial
João Diogo Silva

- Business Office Commercial
- Mobility
- Enterprise
- Residential
- GMI
- Oil & Low Carbon Products
- New Power
- Digital Operations
- Customer Success & HSE
- Brand, Marketing & Convenience
- Daloop

Audit Board

Chairperson:

- José Pereira Alves

Members:

- Maria de Fátima Geada
- Pedro Antunes de Almeida

Powers:

- Control of the Company's financial information;
- Supervision of risk management, internal control, compliance and internal audit systems;
- Receive and process irregularity reports through the Ethics and Conduct Committee;
- Select and propose the Statutory Auditor to the General Meeting and the respective remuneration;
- Check and control the independence of the External Auditor.

Statutory Auditor

Effective:

- Ernst & Young Audit & Associados, SROC, S.A., represented by Rui Abel Serra Martins

Alternate:

- Luís Pedro Magalhães Varela Mendes

Powers:

- Control and review the Company's financial information.

Board of the General Meeting

Chair:

- Ana Perestrelo de Oliveira

Vice-Chair:

- José Costa Pinto

Secretary:

- Sofia Leite Borges

The General Meeting is the ultimate governing body of the Company. It is through this body that the shareholders actively participate in the Company's decisions. Any shareholder who holds at least one share on the record date and declares their intention to participate in the General Meeting within the legal deadlines may attend, discuss and vote at the General Meeting, either in person or through a representative. Galp's shareholders may also exercise their right to vote by correspondence and by participating in the meeting through telematic means.

5.3 **Remuneration policy**

In accordance with the say-on-pay principle, the General Meeting held on 3 May 2023 approved, with 95.23% of the votes, the new remuneration policy of its corporate bodies for 2023 proposed by the Remuneration Committee, in accordance with the applicable law.

Non-executive members of the Board of Directors receive a fixed monthly amount established by the Remuneration Committee, taking into account current market practices. It may differ in the case of non-executive members who perform special supervisory duties or are a member of a specialised committee.

In order to promote management alignment with the medium and long-term interests of the Company and its shareholders, the remuneration policy has annual and multi-annual goals for the executive members of the Board of Directors. The policy considers a three-year period for determining the value of the multi-annual variable component of the remuneration and for deferring a significant portion of the three-year period payment, which depends on Company performance during this period.

The remuneration policy for executive directors for 2023 is outlined on the following page.

In line with Galp's project, especially its long-term interests, economic and environmental / sustainability concerns and its strategic goals, the Remuneration Committee deemed it necessary to introduce a long-term value creation incentive for the members of the Executive Committee. Therefore, besides the remuneration, benefits and conditions that apply, the 2023 Remuneration Policy states that the remuneration of the Executive Committee members will be included in the long-term incentive programme, through the right to Galp's shares, granted after four years.

The remuneration of Galp's directors includes all remuneration for positions held in corporate bodies of other Group companies. The remuneration policy for 2023 foresees the possibility of returning the amount of variable remuneration attributed to a member of the Executive Committee under certain situations (clawback).

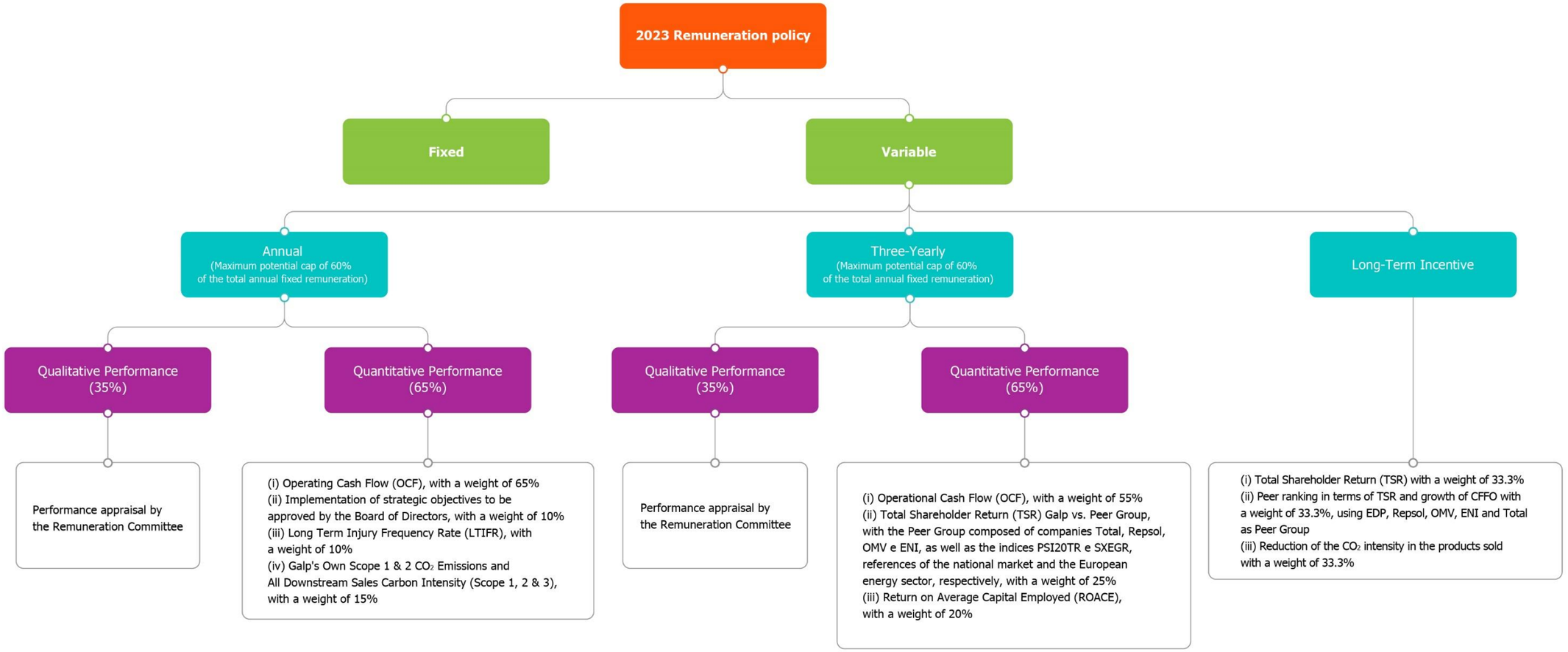
The total and individual annual amount of remuneration received by the members of the Board of Directors in 2023 as established by the Remuneration Committee, as well as other information related to the remuneration policy, is available on page 77, Part III of this report - Corporate Governance Report.



The members of the Audit Board receive monthly fixed remuneration, paid twelve times a year. The remuneration of the Chairperson of the Audit Board is differentiated as it takes into account their special duties. Remuneration of the members of the Audit Board does not include any variable component.

The Statutory Auditor receives the remuneration contracted under normal market conditions.

Remuneration policy as of 31 December 2023



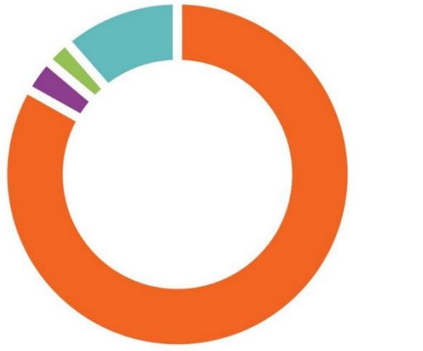
The overall value of the Long-Term Incentive (LTI) is equivalent to 60% of the gross annual fixed remuneration in the case of the CEO, and 30% in the case of other members of the Executive Committee.

5.4 Compliance with the corporate governance code

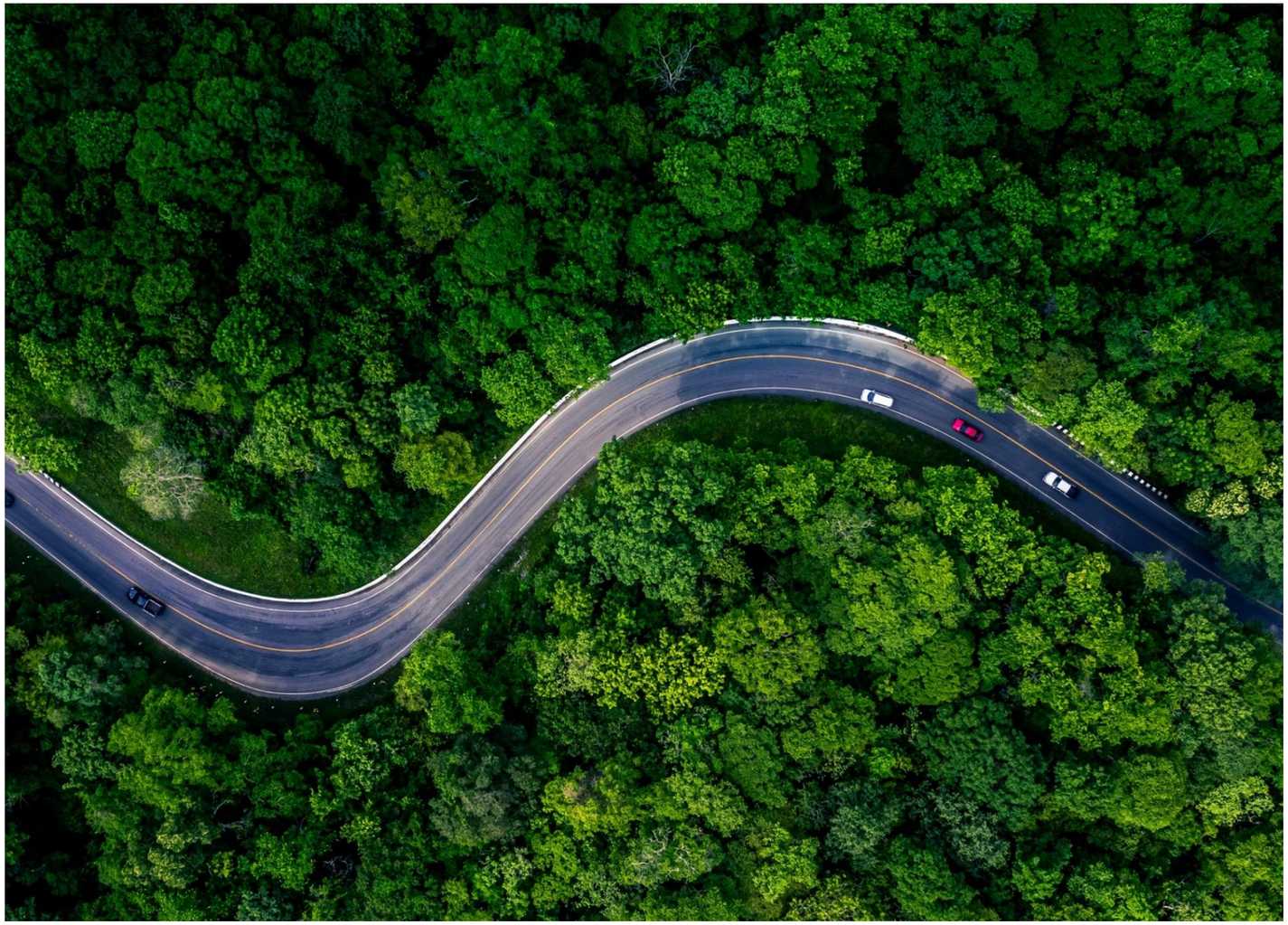
Galp has voluntarily decided to adopt the Corporate Governance Code of the Portuguese Institute of Corporate Governance, approved in 2018 and revised in 2023 ("Código de Governo das Sociedades do IPCG") (link here). The code sets out principles of good governance and recommendations in line with the best international practices and adapted to the Portuguese corporate reality.

In 2023, Galp adopted 71 recommendations following its self-assessment and an assessment conducted by the IPCG'S CEAM (Executive Commission for the Accompaniment and Monitoring of Galp's Governance Report for 2022). Of the recommendations, two were explained (equals adopted), two were not adopted, and nine were deemed not applicable, as shown in the graphic below.

In Part III of this report - Corporate Governance Report, there is a presentation on the adoption of the recommendations, in accordance with the "comply or explain" rule.



71 Adopted
2 Explain equals adoption
2 Not adopted
9 Not Applicable



DELIVERING ENERGY FOR INNOVATION



6. Proposal for the allocation of results

6. Proposal for the allocation of results

The 2023 Galp Energia SGPS, S.A. net profit, based on its individual financial statements, in accordance with International Financial Reporting Standards, was €437,644,228.48.

In August 2023, Galp distributed an interim (advance) dividend of 2023 profit amounting to €213,407,179.47, corresponding to €0.27 per outstanding share.

The Board of Directors proposes, under legal terms, that €0.27 per outstanding share be distributed to shareholders in the form of dividends. When added to the €0.27 per share already paid as interim dividend of 2023 profit, this makes a total dividend to be distributed to shareholders of €0.54 per outstanding share related to the 2023 financial year. The estimated total amount, based on the share capital as of 31 December 2023, is €422,139,515.22.

The remaining amount of the net profit of the year shall be transferred to retained earnings.

Lisbon, 5 April 2024.

The Board of Directors:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-Chairman:

Filipe Silva

Members:

Maria João Carioca

Georgios Papadimitriou

Ronald Doesburg

Rodrigo Vilanova

João Diogo Silva

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Jorge Seabra

Diogo Tavares

Rui Paulo Gonçalves

Cristina Neves Fonseca

Javier Cavada Camino

Cláudia Almeida e Silva

Fedra Ribeiro

Ana Zambelli

DELIVERING ENERGY FOR ALL



7. Cautionary statement

7. Cautionary statement

This document may include forward-looking statements. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements express future expectations that are based on management's expectations and assumptions as of the date they are disclosed and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such those statements. Accordingly, neither Galp nor any other person can assure that its future results, performance or events will meet those expectations, nor assume any responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Galp to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. These forward-looking statements may generally be identified by the use of the future, gerund or conditional tense or the use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "consider", "could", "develop", "envision", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "potential", "probably", "project", "pursue", "risks", "schedule", "seek", "should", "target", "think", "will" or the negative of these terms and similar terminology.

Financial information by business segment is reported in accordance with Galp management reporting policies and shows internal segment information that is used to manage and measure the Group's performance. In addition to IFRS measures, certain alternative performance measures are presented, such as performance measures adjusted for special items (adjusted operational cash flow, adjusted earnings before interest, taxes, depreciation and amortisation, adjusted earnings before interest and taxes, and adjusted net income), return on equity (ROE), return on average capital employed (ROACE), investment return rate (IRR), equity investment return rate (eIRR), gearing ratio, cash flow from operations and free cash flow. These indicators are meant to facilitate the analysis of the financial performance of Galp and comparison of results and cash flow between periods. In addition, the results are also measured in accordance with the replacement cost method, adjusted for special items. This method is used to assess the performance of each business segment and facilitate the comparability of the segments' performance with those of its competitors.

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DELIVERING



FOR LIFE

PART II

Sustainability Journey

galp

Otelo Ruivo

Chief Sustainability Officer



We are advancing on our decarbonisation journey, integrating cleaner energy sources, and investing in the development of large-scale projects that will continue to reduce our carbon footprint and provide low or zero-carbon solutions to our customers.

Sustainability is an intrinsic part of our organisational culture, a guiding principle of the actions and decisions we make, reinforcing long-term value creation in alignment with what is expected from Galp.

In this section, we address the five main pillars of our sustainability strategy. I invite you to explore these contents and learn more about our journey and the results achieved for our ambitions.

Galp's sustainability strategy is to continue to provide energy solutions that meet communities' needs while adding value for all stakeholders. We are committed to developing systems that offer affordable and reliable energy in an economically and environmentally sustainable manner.

This commitment is at the heart of our sustainability journey and will remain so for the future. We have a clear plan in place to progressively decarbonise our portfolio, actively participating in the ongoing energy transition.

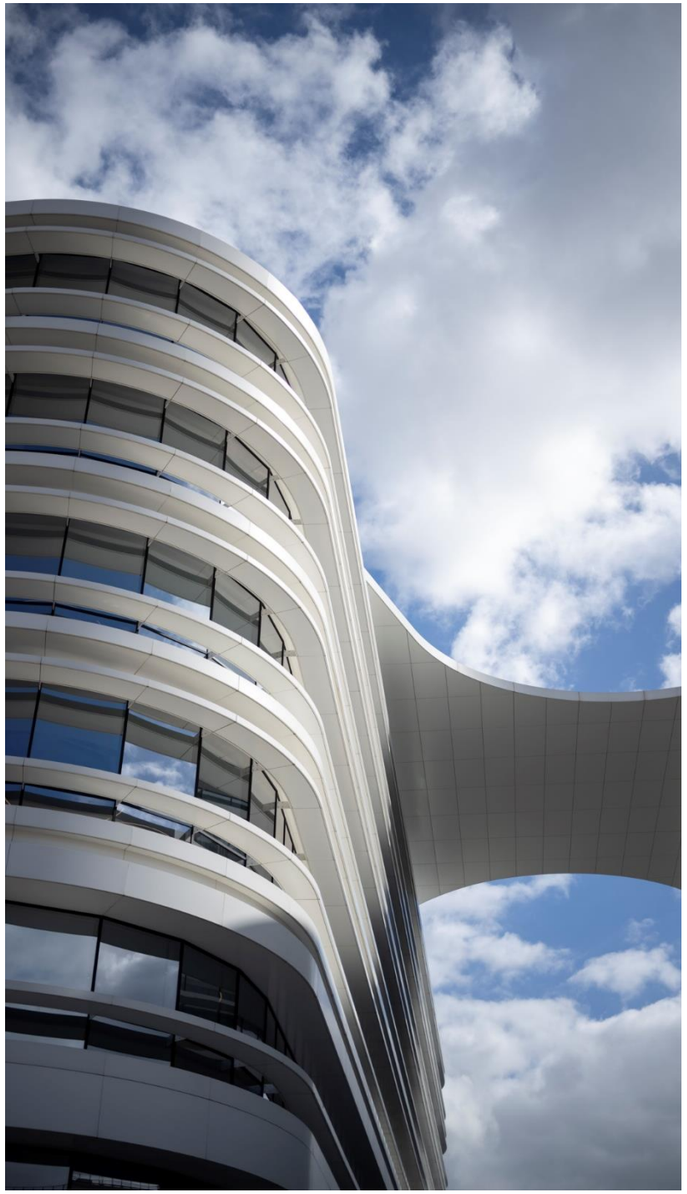
In 2023, we continued this trajectory and worked to continuously articulate sustainability in our strategic thinking and investment decisions as well as in the way we engage and learn from the outside world.

The foundations of our Sustainability Roadmap direct our focus towards long-term priorities, ensuring objective and disciplined execution of environmental, social, and governance initiatives across all Business Units and Corporate Centre teams.

Sustainability Roadmap foundations

In 2022, Galp defined its key Sustainability Roadmap foundations, which guide the Company in terms of principles and actions.

This 'Part II – Sustainability Journey' is structured around these pillars and its ambitions are detailed throughout the document.



1. Our decarbonisation journey

Our **2030** ambitions	Accelerate decarbonisation across our ecosystem		Reshape our portfolio with focus on low carbon
Target 2023-2030	Reduce absolute emissions from operations in 40% by 2030 vs 2017	Reduce production-based carbon intensity in 40% by 2030 vs 2017	Reduce downstream sales-based carbon intensity in 20% by 2030 vs 2017
KPI	Absolute emissions from operations (scope 1 & 2 equity)	Production-based carbon intensity	Downstream sales-based carbon intensity
Performance 2023	2.9 $mtonCO_2e$ -30% compared to 2017 (-13% YoY)	75.3 gCO_2e/MJ -19% compared to 2017 (-6% YoY)	73.2 gCO_2e/MJ -4% compared to 2017 (-1% YoY)
Material topic	Climate Strategy		Sustainable energy portfolio
Our alignment with the **SDGs**	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION		

● 2023 performance according to plan ● 2023 performance below expected

Accelerate decarbonisation across our ecosystem

Galp is an integrated energy company with the objective of mitigating its climate related impacts and aligning its performance with the goals of the European Union and the Paris Agreement. To achieve this, Galp is increasing the production and sales of renewable energy, improving energy efficiency, and integrating more renewable energy into its operations.

Ensuring effective governance of climate-related issues in organisations is paramount in order to guarantee that critical risks are identified and mitigated and that all relevant opportunities that may arise are identified and evaluated. This involves implementing policies, practices, and projects to reduce greenhouse gas emissions and collaborating with stakeholders to promote similar practices. This will ultimately lead to the transformation of activities and portfolio, increasing the amount of low carbon energy produced and sold.

Clear and effective oversight and management of climate strategy

Failing promptly to address climate-related risks and opportunities can compromise a company's capacity to sustain long-term value creation, attract investments, retain top talent, safeguard its reputation, and even maintain its licence to operate.

Galp recognises that responsible leadership is vital to oversee and address climate and energy transition related risks and opportunities – over the short, medium and long term – and has integrated these into the Company's strategic formulation process and investment planning. These responsibilities, overseen by the Board of Directors and the Executive Committee, are managed at board level by the Sustainability Committee, supported by the Risk Management Committee. The CFO supervises the Sustainability and Risk Management teams.

Both committees play a key role in helping the Board of Directors integrate sustainability principles into its decision-making process and ensuring that the Company continuously identifies and manages the main risks and opportunities it faces.

Governance and Climate

The Executive Committee and Sustainability Committee receive regular updates on carbon metrics performance, the progress on decarbonisation roadmap, and any significant climate-related risks and opportunities. The Board of Directors regularly reviews, evaluates, and approves Galp's risk appetite, annual budget, and its short- and long-term incentives. It oversees the Company's consolidated performance as reported in the annual Integrated Report and analyses the business plan to ensure it is appropriate for implementing the Company's energy transition strategy.

Galp's Chief Sustainability Officer (CSO) serves as the Director of Sustainability and Investor Relations. The CSO is responsible for the corporate management of sustainability risks and for establishing and proposing assessment and monitoring methodologies. These are implemented in coordination with all relevant corporate and business units, including the Corporate Risk Management team, thereby ensuring that an action plan is established to minimise and mitigate these risks.

Integrating carbon pricing in investment approval

Galp believes that internalising the costs of GHG emissions, such as through an internal carbon price, is a powerful tool to evaluate climate-related sustainability and incentivise investments in lower-carbon solutions. Galp incorporates a global carbon price into the evaluation of new projects and modifications to existing ones. This allows the Company to ensure its investments are resilient, even in geographies without emissions trading schemes in place.

The carbon prices considered are consistent with external long-term energy transition scenarios (c. €90/tonne of CO_2 by 2025, c. €110/tonne of CO_2 by 2030, and c. €190/tonne of CO_2 by 2050) and integrate current legislation while simultaneously trying to anticipate future regulatory trends.

Additionally, when Galp evaluates new project developments, expansions or upgrades of existing assets, it also assesses the impact of the related CO_2 emissions in its decarbonisation metrics. This approach ensures that low carbon intensity projects are prioritised, helping the Company achieving its decarbonisation ambitions.

Physical and transition climate risks and opportunities assessment

Galp has been improving the identification and quantification of its climate related risks and opportunities, including physical (acute and chronic) and transition risks, aligning with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and preparing the requirements for disclosure of the EU's Corporate Sustainability Reporting Directive and EU Taxonomy for sustainable activities.

This assessment aims to gauge the resilience of the Company's strategy to different climate scenarios and incorporate the most relevant associated risks in the risk management framework. The evolution of the main climate-related risks identified will be monitored in the future and the appropriate mitigation and adaptation measures defined and implemented.

The most recent review of the physical risks concluded that the organisation has a relatively low exposure to chronic physical risks. The most significant physical acute risks identified are extreme wind and rain events.

Although initial assessments have been made, the Company is implementing processes and tools that will allow us to improve physical and transition climate-related risk assessments. This will provide additional support for internal investments and other management decisions as well as prepare future disclosure.

Find out more about Galp's alignment with the TCFD recommendations (link here), including the Company's governance regarding climate related risks and opportunities.

Reduce and mitigate our GHG emissions

As part of its progress towards a low carbon future, the Company is focused on progressively reducing emissions from its operations and decarbonising its portfolio.

2030 targets

Galp has in place an ambitious but pragmatic energy transition strategy. The carbon intensity performance of Galp's current portfolio is already one of the lowest in the sector. Our upstream portfolio has a carbon intensity close to 50% lower than the industry average, according to International Association of Oil&Gas Producers (IOGP). Adding to this, the integration of renewables at Galp is currently over four times superior to the average of the peers, in relative terms based on hydrocarbons production.

With a pragmatic and realistic approach to the energy sector and a significant emission reduction plan already underway, Galp has the ambition to reduce its absolute operating emissions by 40% until 2030[1].

This target is based on the development of already identified projects and reflects the Company's current focus on reducing its carbon footprint, demonstrated through recent investment decisions on key projects like the first 100 MW electrolysers for green hydrogen production. Additionally, substantial investments in operational energy efficiency, electrification, and a robust commitment to renewable electricity generation will ensure the right direction towards further reducing our emissions and decarbonise our portfolio throughout the decade.

In addition, Galp defined two carbon intensity reduction targets which reflect its progress towards a lower carbon future, of the energy that we produce and of the energy that we sell to our customers, also with reference to 2017.

For more information on the carbon intensity metrics, please refer to our website.

[1] This target considers 2017 as a baseline, as it marks the start of the diversification of our portfolio and commitment to the development of a transition strategy.

Carbon intensity methodologies and benchmarking

Galp acknowledges that communicating on carbon metrics and methodologies raises confidence and trust from stakeholders. Towards this goal, Galp believes there is a clear need to develop a common approach for the O&G sector.

Galp's carbon intensity use independent metrics that also include the exposure to indirect value chain emissions (scope 3). These are emissions over which Galp has limited direct control and are complex to manage. Furthermore, the current methodologies for measurement of these emissions consider diverse approaches for intensities' assessment and makes benchmarking extremely difficult, aspects which should be carefully considered when reflecting on our way forward or supporting effective portfolio decision-making processes.

Considering our portfolio options and the opportunities and challenges resulting from the energy market's dynamics across the wide and diverse activities included in our value chains, Galp may review the applicability of medium-term carbon intensity targets, which extend beyond our direct operations.

Nonetheless, the trajectory remains clear, as the integration of low carbon energies and the increased renewable power generation will be fundamental to preparing Galp to address future options and continue to decarbonise its portfolio and the energy it supplies, maintaining an alignment with society and EU targets.

2050 net zero ambition in line with society

The current short and mid-term ambitions are the first and critical steps towards the ambition to be net zero by 2050, in line with society demand evolution. As the energy transition accelerates and society moves towards a lower carbon future, Galp will adapt its businesses accordingly and our investments and portfolio will mirror this progress. However, for longer time horizons, the level of uncertainty of the relevant variables is so high that it is not feasible to make realistic projections in terms of specific projects and related investments. This is especially pertinent given that it may not be technically and/or economically feasible at present to develop some of the low carbon solutions and technologies that will become available in the future.

Our energy mix will continue to change over time and Galp will remain committed to supplying affordable, reliable and sustainable energy to its customers.

Methane

The Company's methane emissions have a relatively low weight in its operational emissions (<1% of total scope 1 and 2 emissions in 2023) and are mostly associated with non-routine flaring in non-operated upstream assets.

Notwithstanding this, Galp aims to reduce methane emissions from its operated assets, which represent 23% of its overall methane emissions, in line with industry expectations.

All our carbon reduction ambitions are expressed on a CO_2e basis which incorporates the full impact of methane emissions. Lastly, all the upstream operators of Galp's upstream production are signatories to the OGCI Methane Reduction Initiative and the Oil and Gas Methane Partnership (OGMP) 2.0.

Acting on methane emissions

The Sines refinery is the asset operated by Galp where methane emissions are most relevant. As such, several measures have been put in place to mitigate these emissions over the years. The refinery has installed a flare recovery unit in one of its flares to reduce flaring and associated methane emissions, as well as a vapour recovery unit to minimise the emissions of diffuse volatile organic compounds (VOC) including methane from loading and unloading hydrocarbons.

Fugitive and diffuse emissions are also monitored and addressed by its annual LDAR (Leak Detection and Repair) Program. The refinery is developing a VOC management plan for the integrated management of all fugitive and diffuse emission reduction and monitoring initiatives of to further minimise operating VOC emissions.

2023 performance

During 2023, the Sines refinery was able to resume its normal energy consumption profile, and registered planned shutdowns to perform recurrent unit turnarounds, which led to a significant reduction of its operating emissions.

The commissioning of the Coral South FLNG concluded during the second half of 2023, and the asset is now operating in plateau conditions.

Overall, Galp's operating emissions (equity) were 13% lower than in the previous year and 30% lower in relation to the 2017 baseline.

The carbon intensity of the produced energy reduced 19% in relation to the 2017 baseline and 6% year-on-year, while the carbon intensity of the energy sold downstream decreased 4% from the baseline and 1% from the previous year. These results reflect the aforementioned decrease in absolute operating emissions, as well as increases in the production and sales of low-carbon energy, like renewable electricity and biofuels.

Galp's Carbon Footprint

Each year, Galp's carbon footprint (operational control) is compiled, based on internationally recognised methodologies and recommendations, and is monitored and verified by a third party.

CO_2e emissions – scopes 1, 2 and 3 ($mtonCO_2e$)	2022	2023
Scope 1		
Total	**3.4**	**3.0**
Upstream[1]	0.73 (0.49)[2]	0.61 (0.41)[2]
Industrial & Midstream	2.70	2.38
Commercial	<0.001	<0.001
Renewables & New Businesses	-	<0.001
Other	0.005	0.006
Scope 2 (market based)		
Total	**0.009**	**0.010**
Upstream	0	0
Industrial & Midstream	<0.001	<0.001
Commercial	0.009	0.008
Renewables & New Businesses	-	0.001
Other	<0.001	<0.001
Scope 3		
Total	**42.6**	**42.1**
Upstream	3.04	3.79
Industrial & Midstream	33.60	30.13
Commercial	9.60	8.22
Renewables & New Businesses	-	0.001
Other	0.002	0.007
---or---		
Purchased good and services	4.66	4.16
Fuel and energy related activities	1.02	0.96
Business travel	0.002	0.007
Transportation and distribution (upstream and downstream)	0.61	0.68
Processing of sold products	1.34	1.17
Use of sold products	38.61	35.16
Net scope 3 emissions [3]	40.0	35.2

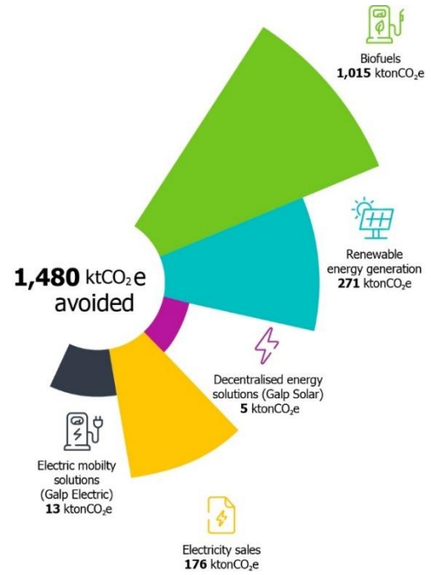
[1] Considers all emissions from Coral FLNG, including from activities classified as midstream related to the primary intent of producing gas liquids for sale as liquefaction, etc.
[2] Excluding emissions from the Coral FLNG which are considered as midstream processes (e.g gas treatment, liquefaction, etc). [3] Net scope 3 emissions represent an estimate of life cycle emissions for the different value chains represented in Galp's sales of energy products where its own energy production is integrated and netted and 3rd party purchases are assumed to be the difference between energy sales/inputs and production.

In 2023, Galp began defining a methodology to calculate and disclose the carbon footprint of its Renewables and New Businesses operations. The aim was to align the reporting of this business unit with that of the remaining businesses and continue to improve our emissions-related disclosure by extending it to the least carbon intensive part of our activities.

Moving towards low carbon solutions

Avoided emissions

Galp estimates the impact of several of its low carbon solutions by publishing a yearly estimate of the emissions avoided by their implementation. This estimate is calculated based on a reference scenario where these solutions and products would not have been implemented during the year they were sold or executed. In 2023, Galp avoided the emission of approximately 1,500 $ktonCO_2e$ through the integration and sales of biofuels for transportation purposes, the delivery of electricity for electric mobility, the production and sale of renewable electricity and the supply of decentralised energy production and energy efficiency services.



Tackling emissions in our businesses

Upstream

Galp's Upstream carbon efficiency

Galp's Upstream portfolio is characterized by its high efficiency and low carbon intensity. At c.9 $kgCO_2e/boe$[1], it is close to half of the industry's average of c. 18 $kgCO_2e/boe$ (IOGP average of 2022). This reflects the commitment to sustainability and energy efficiency in project design and operations. Our journey starts in project evaluation, where we fully incorporate the amount of carbon dioxide in the field into our investment decisions, focusing on developing assets with low carbon intensity.

- Newer projects, such as the Bacalhau field development, located in the Brazilian Santos basin, are characterized by low field lifetime emissions. The Bacalhau FPSO, currently in construction and forecast to come online by 2025, will feature a combined cycle gas turbine system to increase the efficiency of the power system and reduce associated emissions. Combined with an optimised gas system, this will allow greater energy efficiency within this asset and reductions in emissions from power generation and non-routine flaring. The result will be a world class lifetime emission intensity of c.9 kg CO_2e/boe.

- The Company maintains a focus on the continuous improvement of the efficiency of its non-operated assets in production. It works with operators on identifying and implementing further emission reduction initiatives, such as improving fugitive emissions inventories (including methane), commissioning flare gas recovery systems and also identifying other initiatives that can lead to higher energy efficiency and lower emissions.

Galp's commitment to environmental sustainability is demonstrated by its commitment to the World Bank's Zero Routine Flaring by 2030 initiative. This aims to end routine flaring hydrocarbon production projects, which contribute significantly to greenhouse gas emissions. Currently, all the upstream projects that Galp is involved in operate without routine flaring**.**

[1] Galp's upstream carbon intensity follows the IOGP recommendations, which includes emissions from energy usage and flaring and excludes emissions from processes considered as midstream in the Coral FLNG.

Industrial & Midstream

- **Efficiency and emission reductions at Sines**

  In 2023, the Sines Refinery continued to focus on improving the efficiency and integrity of its operations. During the planned turnaround, several energy efficiency projects were implemented. These included the conclusion of the replacement and upgrade of the FCC's recovery boiler, and of several exchangers - which were replaced by more advanced technology with higher thermal transfer - and of reactors in the platforming unit. These projects are expected to reduce emissions by c.70 kton CO_2e/year when fully online.

  Throughout the year, further energy efficiency investments were identified and approved. These are scheduled for implementation between 2024-2025 and include pre-flash gas re-routing and electrification projects targeting an associated emissions reduction of c.40 kton CO_2e.

  Furthermore, in 2023 a site-wide energy assessment was carried out to evaluate and identify additional opportunities to improve energy efficiency to complement the refinery's decarbonisation roadmap.

  Progress in the digitalisation of the operations was also made, with the ELLA (Energy Lean & Live Advisor) tool supporting the management of utilities allowing for more versatility, efficiency and robustness in their usage.

- **Low Carbon fuels**

  In 2023, Galp continued to grow its HVO production at the Sines Refinery by co-processing, with an output of 108 kton. This is in addition to the c. 25 kton of second-generation FAME biodiesel produced at Enerfuel.

  During the year c.362,000 m^3 of biofuels were integrated into diesel (biodiesel and HVO) and gasoline (bioethanol) sold by the Company in Iberia. This includes the c. 25 kton of second-generation FAME biodiesel produced by Enerfuel. **It translates into a significant reduction of approximately 1,000 ktons of carbon dioxide emissions over the product's lifetime, compared to its fossil fuel equivalent.**

Investing in Sines' low carbon future

The company is actively increasing the amount of renewable energy used in its operations and pursuing the development of low-carbon renewable fuels to power all forms of transportation. In 2023, Galp took a FID on its first large scale 100MW electrolyser for green hydrogen production. This large-scale project will allow the replacement of c.20% of the existing natural gas-based hydrogen production in the Sines refinery and may lead to a scope 1 and 2 greenhouse gas emissions reduction of c.110 ktpa.

Galp also sanctioned investment in a 270 ktpa capacity HVO unit capable of producing biodiesel and SAFs, in partnership with Mitsui. The unit will use waste residues to produce renewable diesel (HVO) and SAF. This will allow to avoid c.800 ktpa of greenhouse gas emissions (scope 3, CO_2e), when compared to its fossil fuel alternatives.

These projects will be crucial for the decarbonisation of both the Sines refinery and of the company's portfolio and will enable it to scale-up its low carbon fuel production to provide sustainable fuels for all modes of transport.

- **LNG supply**

  In late 2022, Galp signed an agreement with NextDecade to purchase 1 mtpa LNG to be from its Rio Grande LNG project, in Texas for 20 years, starting from 2027. The facility is currently under construction and will include Carbon Capture and Storage solutions, capable of substantially reducing the life cycle emissions

of LNG. This gives Galp the option of purchasing LNG volumes whose liquefaction emissions have been captured.

- **Carbon Capture Storage & Utilisation**

Galp is exploring a range of long-term pathways and options to mitigate, reduce and utilise CO_2 beyond 2030. Although it is difficult, at this stage, to predict which technology or end-use the Company will prioritise, Galp is eager to transform this challenge into an opportunity. To this end, it is investigating storage options or ways to directly use CO_2 in industries such as food and synthetic fuel production, particularly when paired with green hydrogen.

- **Carbon offsets**

Carbon offsets are not part of Galps shorter-term (2030) decarbonisation targets. They may, however, provide a useful tool for achieving Net Zero emissions by 2050 in line with globally recognised target setting standards.

Carbon offsets can also be important for our customers, who are increasingly concerned about their impact on climate and might therefore be interested in having Galp help them to offset the emissions from their fuel consumption until such time as they are replaced by viable low carbon intensity alternatives. To address these needs, Galp is implementing solutions that integrate offsets into its commercial offer. It is building capabilities and standards to manage carbon offsets and credits, from project development to trading, according to the best available recommendations to guarantee project quality and process reliability.

Commercial

Galp pioneered the supply of low-carbon fuels in Portugal in 2022 by providing SAF for aviation and HVO for maritime transport. In 2023, Galp took another important step towards decarbonising heavy road transport with the launch and commercialisation of "Gasóleo Renovável 100%" (renewable diesel). This is produced from residual feedstocks and can be used in combustion engines and diesel generators without the need for engine modifications. It allows a reduction of up to 90% of life cycle emissions compared to a fossil equivalent.

Galp also expanded its offer of sustainable products to lubricants with the Galp Bio Lubricants line, a suite of biodegradable, vegetable oil-based lubricants complying with a large spectrum of specifications, including Ecolabel. The advantages of biobased lubricants include high biodegradability, superior lubricity, good thermal properties, base stock renewability and an environmentally friendly nature.

- **Galp Electric**

Galp Electric continued the accelerated growth of its public and private charging points network. These totalled more than 4,800 charging stations in Portugal and Spain, c. 25% of which are fast and ultra-fast charging stations. Sales of electricity for mobility increased to a total of 17 GWh and correspond to c. 13 ktons of avoided CO_2 emissions compared to the same energy used on an ICE (internal combustion engine) vehicle, on a life-cycle basis.

EV powering at IKEA in Portugal

Galp partnered with IKEA to install c.280 charging points at IKEA stores around Portugal. This new infrastructure guarantees that 210 vehicles can charge a range of 100 kilometres simultaneously per hour in IKEA car parks. The Company continued to forge important collaborations that allow it to expand its public charging network and enable a reduction of emissions from partners.

- **Galp decentralised solar solutions**

Galp provides decentralised solar power production and storage solutions to B2B and B2C customers, in the residential, commercial, and industrial sectors using advanced technology to provide fit for purpose solutions and optimal results. In 2023, the Company added more than 6,000 installations in Portugal and Spain, surpassing a total of 10,000 installations in Iberia, with a total of c. 20 MW of solar panels. It also installed more than 700 batteries in its installations. This helps customers to improve self-sufficiency by combining power generation and storage as well as delivering extra yearly savings. The total electricity production from the c. 50 MW of equipment installed since 2020 is estimated to be c. 55.9 GWh and is thought to have avoided c. 5 kton CO_2e during 2023, in comparison to the same amount of electricity purchased from the grid.

- **Daloop**

Galp's innovative Software as a Service (SaaS) platform for managing ICE and EV fleets, charging infrastructure and their users continued growing. By 2023 it counted more than 2,700 vehicles and helped customers reduce costs while simultaneously avoiding c.1.5 kton CO_2e emissions in comparison to normal, non-optimised operating conditions.

Renewables and New Businesses

Renewable electricity is a key driver of Galp's low-carbon energy growth. The Company started production in its first solar PV park in Portugal, at Alcoutim, and increased its installed capacity to 1.4 GWp in operation and generated c.2.3 TWh during 2023. This translates into c. 270 $ktCO_2e$ of avoided emissions compared to the production of an equivalent amount of electricity in the location where it was generated.

Aware of potential for generating offshore wind energy in Portugal, Galp explored opportunities for developing offshore wind capacity.

Through its Corporate Venture Capital activities, Galp invested $5 m in Verdagy, a US company pioneering the development of a type of scalable electrolysis technology for industrial applications targeting lower cost and less dependence on critical raw materials.

- **Aurora**

  The Aurora JV (joint venture) with Northvolt is working towards taking the final investment decision on building Europe's largest and most sustainable lithium conversion plant in Portugal.

  Although the production of lithium hydroxide may lead to a small increase in Galp's operating emissions, this material will be critical for battery manufacturing. It has the capacity to produce c. 50 GWh of batteries per year (sufficient for c. 700,000 electric vehicles). This would contribute significantly to reducing emissions in the transport sector. To ensure that the impact of this activity is mitigated, the JV is strongly focused on guaranteeing the sustainability of its activity and is defining roadmaps towards emission reductions from its operations and the life cycle of its products.

Corporate centre

New Lisbon offices – Allo Building

Galp's new office in the Allo building is currently pursuing LEED and WELL Platinum certifications. The new office reflects the Company's commitment to sustainable energy and practices as it is designed to address the challenges of hybrid work while prioritising user comfort. The offices feature sustainable energy initiatives and resource management practices such as efficient lighting and equipment, on-site renewable electricity generation, electric vehicle charging, water efficient equipment, waste management, etc.

The new building will also help to enable the full electrification of our light duty vehicle fleet, aimed for 2028, and actively promotes other forms of sustainable mobility. It includes:

- more than 130 electric and hybrid vehicle charging points to serve the Company's fleet which now includes 27% fully electric and hybrid vehicles.
- more than 70 racks with dedicated chargers for parking and charging of light electric vehicles such as electric scooters and bicycles.

Reshaping our portfolio with focus on low carbon

To achieve our ambition, Galp focuses on leveraging innovation for the energy transition. More information on our decarbonisation strategy and initiatives relating to low carbon and energy transition projects and products in different business segments can be found in the corresponding chapter in this report (see Part I – Chapter 3. Business Pillars).

Galp Low Carbon capital allocation

Galp's strategic plan foresees that over 45% of the gross capital expenditures planned during 2023-2025 will be allocated to low carbon activities. The plan includes several committed projects, or projects that are at an advanced stage of development.

Leverage on innovation for the energy transition

Galp regards innovation as vital to advance a sustainable energy system. The Innovation team drives opportunities to accelerate the energy transition and decarbonisation by testing new solutions and collaborating with the innovation ecosystem to identify potential business streams. These include decarbonising industrial activities, low carbon fuels, renewable electricity, electric mobility, and social innovation. In 2023, more than half of new projects were focused on low-carbon initiatives, with 12 proofs of concepts successfully completed and five innovation projects, offering business opportunities for the business units. Galp has invested c. €140 m in ongoing projects, of which c. €30 m of this in 2023.

Ongoing projects encompass an array of different subjects, for different innovation centres. Highlights for the year include:

- **Industrial and Midstream Innovation centre:** Galp continued to explore options for sustainable fuel production by looking into carbon utilisation routes. The goal is to convert the challenge of emissions reductions and capture into an opportunity by exploring how to use CO_2 directly in industrial applications or combining it with green H2 in synthetic fuels manufacturing. Another project analysed 21 technology options for sustainable aviation and maritime fuels and included three pre-feasibility studies in Brazil, emphasizing e-fuels production through Fischer-Tropsch and ethanol routes. These studies will guide the prioritisation of low

carbon fuel production routes. Greenfield and brownfield biomethane production opportunities were also analysed in several geographies. The focus will be on developing a pilot to validate assumptions and enhance technology.

- **Commercial Innovation centre**: The Second-life Batteries project placed a container filled with used EV batteries at a Galp service station in Madrid. These batteries are charged with renewable electricity from locally installed solar PV panels and expedite the deployment of new ultra-fast charging hubs in places where medium voltage connection is inaccessible or can be accessible by request. At the same time, it serves as a testbed for advanced data analytics tools to predict failures and extend battery lifetimes. The Caxias Living Lab energy community was also expanded to reach 85 PV panels, five batteries, and two heat pumps.
- **Renewables Innovation centre**: In partnership with ISA (Instituto Superior de Agronomia), Galp launched Portugal's first Agri-PV pilot in a vineyard to support land dual-use and optimize agricultural production in the face of climate change and the energy transition. The pilot is expected to be operational by April 2024. Galp also explored PV recycling and solutions to minimise shadow losses on uneven terrains with a pilot on a PV plant in Spain.
- **Open Innovation centre:** The 2nd edition of the "StartUp The Future" program recognised five new companies, while previous years' winners developed pilot projects in Portugal, Spain and Mozambique. New engagements included a partnership with Instituto Superior Técnico to support a practical learning space dedicated to energy innovation and prototype development. Galp also established a "Sustainable Energy Systems" research community with Nova University Lisbon and supports a program at the Católica University in Lisbon, focused on researching "Digitally Enabled Business Models for a Fair and Sustainable Energy Transition".

2. Biodiversity, Water, Circular Economy

Our **2030** ambitions	Protect biodiversity			Effective water stewardship		Operational excellence and transition towards circularity	
Target 2023-2030	Not operate in UNESCO[1] areas	Avoid IUCN[2] I-IV for new sites and start defining BAP[3] for existing sites in these areas by 2025	From 2023, aim to produce a positive impact on biodiversity	Improve water efficiency		Improve waste management	
KPI	Sites in UNESCO areas	New sites in IUCN I-IV areas	Number of action plans to achieve positive impact	Freshwater withdrawal	% water recycled in operations	Waste volume	% waste recycled /recovered
Performance 2023	0 ●	0 ●	1 Pilot project ●	-14% compared to 2017 (-2% YoY) ●	12% (-2 p.p YoY)	-3% compared to 2017 (+32% YoY) ●	53% (-9 p.p YoY)
Material topic	Biodiversity and ecosystems			Water management		Operational eco-efficiency and Circular Economy	

Our alignment with the **SDGs**



[1]United Nations Educational, Scientific and Cultural Organization, [2]International Union for Conservation of Nature, [3]BAP - Biodiversity Action Plan

● 2023 performance according to plan ● 2023 performance below expected

As outlined in the 2024 Global Risks Report by the World Economic Forum (WEF), the most severe risks expected to emerge in the next decade are associated with climate and nature. Efforts are being made to tackle this crisis through strategies and collaborations between the global community and market forces, particularly those focused on nature.

The 2022 Conference of the Parties for the Convention on Biological Diversity (COP15, held in Montreal, Canada) led to the Montreal-Kunming agreement. It sets ambitious goals to stop and reverse biodiversity loss by 2030, including reforming harmful subsidy systems and restoring 30% of the planet's degraded ecosystems.

Adding to this and considering other frameworks, such as the Task Force on Nature related Financial Disclosures (TNFD), and emerging trends like Science-Based Targets for Nature (SBTN), Galp is determined to support and contribute to nature conservation.

Galp has established a robust Environmental Management System applicable to all operations and activities, in accordance with ISO 14001 guidelines. This framework, which has been in place for over 10 years and undergoes continuous improvement, ensures compliance with legislation and other relevant requirements, proficiently manages environmental risks, and fosters continuous performance improvement across the life cycle of our activities, products, and services. Moreover, our environmental management system will progressively align with CSRD guidelines. This includes the assessment and action on risks and opportunities, as well as the tracking of performance through environmental metrics such as energy consumption, waste management, water usage, and biodiversity.

Galp's approach to TNFD

We are already preparing the implementation of the TNFD framework, starting with setting Galp's governance of nature-related dependencies, impacts, risks, and opportunities and piloting the LEAP (Locate, Evaluate, Assess and Prepare) risk assessment.

Governance on nature-related topics
The Sustainability Committee, our board level committee, has the duty, among others, to assess and supervise the risks and opportunities related to climate and nature, with the support of the Risk Management Committee. The Governance pillar of TNFD will undergo continuous analysis and improvement as needed throughout the framework development process.

LEAP Risk Assessment Pilot Project
This is a comprehensive approach that involves assessing nature-related issues and identifying priority action areas. As we are conscious that dealing with nature dimension is location-specific, our approach is focused on specific assessments and responses. We believe this is a key opportunity to understand, manage, and respond effectively to nature-related risks and opportunities for Galp. We have recently concluded the "Locate" and "Evaluate" phases.

- **Project's Scope**: Our analysis of Galp's portfolio involved a high-level examination of key aspects, such as geographic distribution, activity type, business strategy and nature integrity. This guided our assessment priority, focusing on Galp's specific operations.

- **Locate & Evaluate phase:** We started by mapping our business footprint and ecosystem types. Next, we assessed Galp's dependencies on ecosystem services and key impact activities, combining sector and company context, the current state of nature and ecoefficiency performance. This process culminated in a material matrix, highlighting priority assets for assessment and actions on associated risks and opportunities.

Protect biodiversity

To achieve our ambition, Galp is focused on the following drivers:

- Commit to include biodiversity related criteria in the decision-making
- Embed our sites in the ecosystem
- Collaborate through initiatives and partnerships

Commit to include biodiversity related criteria in the decision-making

We aim not to operate/explore/mine/drill inside the boundary of UNESCO's World Heritage areas and avoid IUCN (International Union for Conservation of Nature) Category I-IV protected areas.

In 2024, we reaffirmed our position on biodiversity with the approval of our Biodiversity Policy which can be consulted on the Galp's website (link here).

Galp's Biodiversity Policy

Our Biodiversity Policy is centred around three fundamental principles:

Respect protecting zones

We recognise the value of UNESCO's World Heritage areas and IUCN protected areas, and we respect their boundaries by not operating or avoid these high biodiversity important areas, respectively.

Identify, assess, and manage existing and new operated sites

We evaluate biodiversity in our operations and value chain, and embed it into our strategy and risk management. Specific action plans for sites near protected areas[1] and strategies for positive biodiversity impact in new projects are integral to our approach. In joint ventures, we promote collective integration by sharing our biodiversity guidelines, so as to foster a shared commitment to their implementation.

Promote collaboration and spread knowledge

We encourage key stakeholders to integrate biodiversity criteria into their business practices. Our efforts extend to fostering biodiversity-focused training and awareness initiatives among relevant partners.

Preserve and conserve the forest

We have reinforced our aim to achieve zero net deforestation[2] in new projects as outlined in our Biodiversity Policy. This entails avoiding the removal of forest land whenever possible, and if unavoidable, compensating with future reforestation efforts.

In 2023, Galp started implementing three new photovoltaic projects that avoid deforestation and one requiring compensation measures.

[1] UNESCO's World Heritage areas and IUCN Category I-IV protected areas.
[2] Galp uses Food and Agriculture Organization of the United Nations (FAAO) definition for forest: "Land spanning more than 0.5 hectares with trees higher than 5 meters and canopy cover of more than 10 percent, or trees able to reach these thresholds in situ".

Nature-related dependencies & impacts and Biodiversity risk screening

We annually perform a biodiversity risk screening, across all our operated sites. In 2023, we incorporated the identification of potential nature-related material dependencies and impacts associated with our main current business activities to enhance our comprehension and allow a more effective risk evaluation. In addition, we intersected the location of our operated sites with biodiversity relevant areas[3] using the IBAT Tool. The number of threatened species in areas surrounding our operations is also monitored according to the IUCN Red List.

Among all our operated sites, none are situated within or adjacent to UNESCO's World Heritage Areas. Regarding IUCN Category I-IV protected areas, 29 sites (6%) are situated in or near (within a 1km radius) of these regions, predominantly service stations in Iberia, where we plan to develop biodiversity action plans.

More detailed information can be consulted in Galp's Nature Risk Screening 2023 (link here).

[3] Any area of biodiversity protection or of priority conservation identified in this report, according to the data provided by the IBAT tool (IUCN areas, Key Areas of Biodiversity, Ramsar, Natura 2000 network, and UNESCO World Heritage).

Embed our sites in the ecosystem

Approach to our operations

Our management approach follows the mitigation hierarchy (avoid, minimise, restore and offset). We are planning to develop action plans for sites located in or adjacent to protected areas. At Sines Refinery we are working on a Biodiversity Action Plan, with the support of subject experts. The initial phase involved characterising the regional fauna, flora, vegetation, and habitats. As we progress, the final report is underway and contains detailed conclusions and the corresponding recommendations.

For new projects located in or adjacent to protected areas, Galp is focused on developing a strategy to produce a positive impact on biodiversity. The Company developed a methodology called "Smart Renewable Power Plant" with the assistance of external experts to integrate solar plants into the ecosystem aiming to achieve a positive impact.

Alcoutim: Net positive impact pilot project



In 2023, we started a pilot project in Alcoutim, Portugal to implement the "Smart Renewable Power Plant" methodology. Inaugurated in September and aggregating four PV plants – S. Marcos, Viçosa, Pereiro, and Albercas – the project spans an area of 250 hectares, with a capacity of approximately c.140 MWp.

A Biodiversity Action Plan (BAP) was developed for this site, outlining the measures for a Net Positive Impact. The plan aims to renaturalise a total area of around 73 ha. Initiatives include sheep grazing and shelters for birds and bats. These and other actions promote diversified use of the land and soil regeneration while safeguarding and increasing local biodiversity and enhancing ecosystem services, among other benefits. As this is a pilot project, we expect to obtain key results that will enable us to replicate them for other similar solar facilities. More detailed information can be found on Galp's website (link here).

In case of joint ventures, we share Group's biodiversity guidelines to collectively pursue integration of biodiversity issues.

Biodiversity in Upstream projects

In recent years, the Coral FLNG project has played a crucial role in biodiversity protection. Activities include coral cultivation, capacity building for fishermen, provision of laboratory equipment to UniLurio (the local university), and awareness campaigns on biodiversity conservation at the Vamizi Community School.

An environmental characterisation study was also performed in the Namibia PEL83 region, and a final report is expected to be concluded in the first semester of 2024.

Detailed information related to upstream projects can be consulted in the Biodiversity Management Best Practices Guides and its supplements (link here).

Collaborate through initiatives and Partnerships

Galp participated in several initiatives and collaborations this year, working in partnership with relevant stakeholders:

- Galp continued to be part of TNFD Forum, a multi-disciplinary consultative group who shares the mission and principles of the TNFD and is available to contribute to the work of the Taskforce.
- Galp continued its membership of Fuels Europe and CONCAWE, and actively engages in initiatives, task forces, and working groups within the oil and gas sector (specifically on the refining industry) to address relevant environmental concerns.
- Already a member of BCSD Portugal, Galp joined its Biodiversity working group and contribute to delivering solutions to protect and preserve biodiversity.

Galp joins act4nature initiative

We have joined act4nature Portugal, an initiative promoted by BCSD Portugal, as part of act4nature international. This program mobilises companies to protect and restore biodiversity by encouraging them to join and sign up to 10 common commitments, along with individual ambitions, aligned with their specific activities.

More detailed information can be consulted on the act4nature Portugal website (link here).

- Galp partnered with the University of Zaragoza (UNIZAR) and the Agrifood Research and Technology Center of Aragón (CITA) to develop a renaturalisation plan for the solar parks in the Aragón region, Spain. Among other benefits, the plan aims to protect and enhance local biodiversity and regenerate soil (link here).
- PRIMILART: Galp developed initiatives to protect the habitat of the *cernicalo primilla* (in alignment with the European Birds Directive and National protection plan), including the creation of shelters. This initiative goes beyond conservation by fostering a cultural art movement around the primillar, adding value to the community, and promoting biodiversity awareness, traditions, and cultural heritage.
- World Environment Day: On 5th June, Galp's teams visited our solar plants in Alcoutim, Aragão, and Minas Gerais (Vereda Plant) to celebrate the day. The event brought together different teams and included activities such as visiting photovoltaic plants and installing equipment to boost biodiversity (e.g. acoustic sensors,

insect hotels, and shelters for bats and birds). Action plans for biodiversity and circular economy projects, including recycling plastic and electronic equipment, were presented.

Earth Day



During the week of 21-25 of April, Galp celebrated Earth Day. We gathered the little Energisers of the Galp family to celebrate this day with learning and fun activities at the Lisbon Towers and at the Sines Refinery. Together with Águas do Tejo Atlântico and Sociedade Ponto Verde, we organized recreational activities to promote awareness of sustainable practices, focusing on water concepts (water cycle, wastewater treatment, efficiency) and recycling. We also shared suggestions of documentaries and books, among other materials, to raise awareness of nature-related topics.

Effective water stewardship

The interdependence between water and energy is expected to increase in the years ahead, with significant implications for both energy and water security. Considering this trend and given the scope of our current and future activities – some of which are located in water-stressed regions – effective and collaborative management of water resources is essential.

To guide us towards our ambition, Galp is focused on understanding and conserving water resources.

Understand and conserve water resources

At our annual nature risk screening, we use the WRI Aqueduct Water Tool, developed by World Resources Institute, to map and assess water risks in our operated assets (link here). As of 2023, 36% of Galp's operated sites were in areas with high or extremely high overall water risks. This is largely attributable to their location in Iberia, where physical water quantity risk (particularly water stress) is prevalent. Sines Refinery was identified as a priority hotspot.

Although the Retail business is not typically associated with significant water-related issues, it includes most of Galp's operated sites located in water stress regions in Iberia. Despite accounting for less than 15% of Galp's total freshwater withdrawal volume, improving water efficiency is a priority, especially at service stations with car washing services. Starting this year and extending to existing sites already equipped with carwash water recycling systems, new or revamped sites offering this service will integrate water recycling systems in accordance with the allocated budget.

Improve water efficiency – case of the Sines Refinery

The refinery has been recognised as a priority hotspot due to its location in a water-stressed region and its significant potential impact on water resources, which represents 74% of the overall freshwater withdrawal for the entire Group.

Galp has been investing in reducing on water resources the pressure of refining activities. Examples are the installation of a membrane bioreactor (MBR) to increase the amount of recycled industrial wastewater and significant investment in maintenance of the firefighting system. Additional initiatives, such as reuse of water in fire and garden water systems, along with the reuse of process water, contribute to the 12% of Galp's 2023 total recovered/ recycled freshwater.

We foresee an increase in its water dependency due to the new projects involving HVO and H_2 production units. To proactively address this, we are planning eco-efficiency measures and water-related issues are being incorporated in the key stage gates of these projects.

Operational excellence and transition towards circularity

Galp is focused on improving ecoefficiency performance, by optimising resources, effluents, emissions, and waste, through continuously improving its performance. We achieve this by promoting adoption of the best available technologies, setting goals and targets, and periodically monitoring performance in all geographies, subject to third party reviews. The management of environmental aspects due to Galp's activities is ensured through its integrated management system, which is certified by ISO 14001.

We also aim to disseminate and increase circularity in our value chain, from construction, to operating and decommissioning. We will focus on using our resources and materials efficiently, increasing the reuse and recycle approach and identifying new opportunities in new projects.

Optimise resources, effluents, emissions and waste

This year, we reduced energy consumption by 17% compared to 2022, correlating with a 10% decrease in processed feedstock influenced by the Sines refinery turnaround performed this year.

Freshwater withdrawal decreased by 14% compared to 2017, showing consistent reduction. This trend is not only related with the turnaround, but also reflects our dedication in implementing measures to improve ecoefficiency in operations. Water recycling rate slightly decreased by 2 p.p. compared to 2022, also explained by the turnaround. Freshwater withdrawal has increased in areas facing water stress. This is driven by the expansion of regions experiencing water stress, thereby affecting a larger number of sites.

Galp's performance in other key environmental indicators, including waste, was strongly influenced by two turnarounds at the Sines refinery and the works to dismantle the Matosinhos industrial site.

Both these events contributed to increasing the total waste production (+32% vs 2022), particularly hazardous waste (+40% vs 2022) due to the works. It is important to note that 53% of the total waste generated, was valued.

	2020	2021	2022	2023	of which, Refining[1]
Direct energy consumption by primary sources (TJ)	38,863	34,249	30,480	25,382	98%
Purchase of electricity (TJ)	1,558	1,389	1,271	1,506	81%
Total water withdrawal (10^3 m^3)	9,881	9,435	9,343	9,125	74%
Total freshwater withdrawal (10^3 m^3)	9,743	9,321	9,219	9,032	74%
Total freshwater withdrawal in areas with water stress (10^3 m^3)	-	6,764	8,078	8,353	80%
Total water recycled (%)	15	14	14	12	56%
Wastewater (10^3 m^3)	5,913	5,822	6,125	6,109	60%
Waste produced (ton)	27,894	20,355	22,167	29,240	48%
Hazardous waste produced (ton)	21,701	16,268	17,671	24,776	46%
Waste recovered/recycled rate (%)	56%	60%	62%	53%	-
Number of primary containment losses that impacted the environment [2]	7	11	7	5	0%
Volume of primary containment losses that impacted the environment (m^3)[2]	302	44	64	5	0%
GHG Emissions under the European Union Emissions Trading System ($tonCO_2e$)	3,067,805	2,674,058	2,664,396	2,359,568	100%
NOx emissions (ton) [3]	1,384	1,349	1,539	918	78%
SO_2 Emissions (ton) [3]	1,113	922	1,454	1,394	100%
Particulate emissions (ton) [3]	182	183	70	13	54%
Methane emissions (ton)	682	491	1,318	1,022	23%
Carbon Footprint – Direct Emissions ($tonCO_2e$) (scope 1)	3,591,892	3,198,740	3,442,507	2,991,742	79%
Carbon Footprint – Indirect Emissions ($tonCO_2e$) (scope 2 – market based)	42,026	9,149	9,138	9,848	0%
Flaring gas – Upstream (Mm^3)	40.2	34.5	116.6	74	0%

[1] The refining activity (Sines Refinery) is the segment with the greatest impact in the environmental performance of the Company.
[2] Includes containment losses >0,150 m^3 (c. 1 bbl), excluding gaseous products.
[3] The 4th quarter emissions of the Sines Refinery are estimated

Circular economy

Galp is focused on making materials last longer, by using resources responsibly and incorporating circular principles from design to disposal. We aim to collaborate with partners in order to share experiences and best practices and create opportunities aligned with this objective. We strategically reconsider the traditional business model through a circular lens, by exploring solutions through Innovation initiatives.

- **Advanced Biofuels**

Sines's transformation, from a grey refinery to a green energy hub, will enable Galp to develop efficiency projects that incorporate reused materials to produce low-carbon products.

In 2023, Galp and Mitsui partnered to set up a 75/25 joint venture and invest in a large-scale 270 ktpa unit adjacent to the Sines refinery for producing and marketing advanced biofuels. The unit will use waste residues to produce Hydrotreated Vegetable Oil (HVO) and Sustainable Aviation Fuel (SAF), thereby reducing the environmental footprint compared to its fossil fuels alternatives.

We are maintaining operations at Enerfuel, an industrial facility in Sines, producing Fatty Acid Methyl Ester (FAME) biodiesel, exclusively from animal fats and used cooking oils. In our Sines refinery, we supply Fluid Catalytic Cracking (FCC) to St. Gobain for bitumen production. To further enhance our contribution to circularity, we are exploring the classification of some of our waste as input for other industries.

- **New Businesses – Lithium value chain**

Galp is co-developing a lithium-processing facility in Setubal (Aurora). For this project, the creation of a network of offtakers for the by-products of lithium conversion it is being planned. This will promote a circular economy and ensuring that the impact from this activity is mitigated.

- **Renewables - Solar Photovoltaic Plants**

Our innovation team conducted an in-depth assessment of CERFO (Centro Europeo de Reciclaje Fotovoltaico), a startup in Aragón that is establishing a PV module recycling facility in Spain. This involved analysing the PV recycling market, the relevant regulations, and CERFO's business and technology. With the support of a specialized consulting firm, we explored end-of-life routes for PV modules in Europe and benchmarked these against industry standards.

- **Commercial – Convenience**

Together with our suppliers, we are implementing practices to improve circularity in our convenience stores. This includes reducing plastic packaging materials and replacing disposable packs with reusable ones for transporting bottles, which can then be returned for reuse. We also convert the biowaste from coffee as a by-product, by providing our clients the opportunity to take the coffee grounds and use them as biofertilizer.

3. People, Communities, Human Rights

Our 2030 ambitions	People-centric energy transition		Promote Diversity			Respect Human Rights		
Target 2023-2030	Drive a just transition enabling communities to thrive		Accelerate convergence to gender parity until 2030			Implement an adequate human rights due diligence process under a risk based approach in light of UNGP[1]		
KPI	Critical communities that received high-impact advisory on social impact	Local hiring	Women in management and leadership roles	Women in Board of Directors	Adjusted gender pay gap	Training hours in human rights	Supplier audits that include human rights criteria	Third-party integrity assessments that include human rights criteria
Performance 2023	100%	98%	35%	37%	2.6%	>1,500	44	>1,200
	●		●			●		
Material topic	Local Community development	Development of Human Capital	Work practices and conditions		Talent attraction & retention	Human Rights		

Our alignment with the **SDGs**



[1]United Nations Guiding Principles on Business and Human Rights

● 2023 performance according to plan ● 2023 performance below expected

People-centric energy transition

A crucial element of the energy transition is inclusivity and emphasis on people. Galp supports the United Nations' Sustainable Development Goals (SDGs) and aligns with the Paris Agreement's objectives as part of the collective effort towards a net-zero emissions economy by 2050.

To achieve our ambition, Galp is focused on the following drivers:

- Encourage social dialogue and stakeholder engagement
- Skill all employees for the challenges of the energy transition
- Empower communities through social investment

Encourage social dialogue and stakeholder engagement

Galp aims to foster closer connections and relationships with customers, suppliers, partners, communities, governments, academia and other relevant stakeholders. Their insights present opportunities for mutual value creation that will benefit both the company and society.

Climate policy engagement

Galp actively collaborates with relevant stakeholders at the community level. Our goal is to serve as a positive contributor, creating value and supporting both national and local economic development.

The Company actively participates in climate policy initiatives and engages with entities like the European Commission and steers business associations towards responsible climate policy to ensure compliance, foster innovation, and address environmental challenges effectively.

We regularly engage with trade associations to ensure alignment with key climate agreements and principles. Our trade associations report transparently showcases their perspectives and any disparities, this assisting our selection process for future affiliations. The 2023 updated report can be consulted on our website (link here).

Our presence in key events

Throughout 2023, we continued to take part in events and initiatives addressing the energy transition and sustainability topics.

- **Galp Electric Summit:** Galp representatives discussed topics such as REPowerEU and Oil&Gas evolution and took part in insightful discussions alongside other companies and organisations such as Repsol, BP and Prio.
- **Sustainability and Society Forum:** Galp attended meaningful panels on "Global Energy Trends", "Goals and policies for a sustainable Europe" and "Building a sustainable and inclusive future".
- **Lisbon Energy Summit:** the 1st edition of the event was co-hosted by Galp and EDP and promoted debate on the opportunities and challenges of the energy system of the future.
- **Web Summit**: for the 3rd consecutive year, Galp was present at the event with an approach centred on its people and the innovation projects it supports. Around 300 employees were invited to become involved, thus providing an opportunity for their personal development.
- **COP 28**: Galp was once again present at the 28th edition of the COP in Dubai, UAE. Our External Affairs team had the opportunity to take part in several events and conferences where key issues such as energy transition to renewable sources, climate and loss and damage financing, energy taxation, methane emissions and accelerating low emissions technologies were debated.

Galp also engages with a number of investors through dedicated meetings, and with associations (e.g., WBCSD, BSCD Portugal, UN Global Compact, World Economic Forum, Energy Impact Partners, etc.). This provides an opportunity to exchange knowledge, participate in discussions and influence various issues.

In addition, Galp promoted several Town Hall events open to all employees in all geographies. Each event had around 2,000 attendees and covered issues such as the current context and where the future challenges lie, business evolution and new governance structure, the imperative for business continuity and the relocation to the new Lisbon headquarters.

Skill all employees for the challenges of the energy transition

During 2023, we continued to promote initiatives on topics related to the energy transition, reskilling, etc. These initiatives involved employees and other stakeholders.

- **Skilling sessions on Energy Transition:** we intensified the energy transition and climate change training initiatives for employees, executives, and board members. The numerous meetings held throughout the year included workshops, and upskilling sessions, covering various ESG topics such as the sustainability roadmap, green H_2, GHG emissions, voluntary carbon market, and biodiversity. A dedicated session was conducted for the Sustainability Committee to deepen analysis of GHG emissions fundamentals, Galp's decarbonisation metrics, performance and ambitions. Some of the employee engagement activities included Earth Day celebrations and Sustainability Week events.

- **Business Roundtable Portugal:** the ultimate goal is to reskill 20,000 unemployed individuals in Portugal by 2025. This national project counts with Galp's commitment and active participation.

- **Data Literacy Programme:** Galp continued its partnership with the Porto Business School and International Data Corporation, and conducted over 200 hours of formal learning sessions, on-the-job learning and direct support in data projects. This involved more than 100 employees over 4,900 hours.

Empower communities through social investment

Social licence to operate

Securing a social licence to operate remains a top priority and entails ongoing dialogue and engagement with local communities and other stakeholders to transparently address risks and opportunities in each context and geography where Galp operates. In São Tomé and Príncipe we support the local community through social projects involving several stakeholders in order to understand their expectations and obtain social acceptance to operate.

Social impact on communities

In 2023, we provided targeted high-impact social advisory to 100% of our critical communities in Iberia, Brazil, and Africa, ensuring project execution support and alignment with Galp's social impact strategy, through regular meetings and engagements.

Galp aims to support society through sustainable energy, education, conscious energy consumption, biodiversity protection, and social innovation, as aligned with our five strategic pillars of social impact.

1. Sustainable energy and mobility solutions | Shared value is part of the energy transition path.

Impact in 2023: 19 initiatives developed.
Some examples:

- Colmeia: a new collaborative community social innovation programme to boost entrepreneurship, bringing together talent, start-ups and the entire community within the scope of sustainable energy solutions.

- Galp "Energia Solidária": in partnership with "ENTRAJUDA" this initiative aims to mitigate the impact of increased energy costs for the most vulnerable.

2. Education/sensibilisation | to raise awareness of the energy transition through education and support local communities throughout this process.

Impact in 2023: 125,857 beneficiaries.
Example:

- Orquestra Maré do Amanhã (OMA): a project teaching music to children and teenagers and promoting the creation of education and employment opportunities for young people in order to move them away from violence and drug trafficking, in Rio de Janeiro.

3. Ecosystem integration | Promoting a net positive impact on ecosystems and biodiversity.

Impact in 2023: 9 initiatives developed.
Example:

- Triggers program: we continued our participation in the 2nd edition, where the three finalists celebrated the circular economy and the optimization of waste and received funding to implement the projects awarded.

4. Support to local projects | We support local projects that contribute to communities' sustainable development priorities.

Impact in 2023: 1,214,069 direct beneficiaries
Goal 2025: 4,500,00 direct beneficiaries (since 2021).
Some examples:

- Every Step Counts: four editions of this initiative have delivered 3.2 million meals to the Emergency Food Network, in Portugal.

- Vilas em Movimento: this project promotes sustainable mobility and social inclusion through shared electric bicycles, charging stations, and refurbished facilities for physical exercise, social well-being, and workshops to mitigate loneliness among older residents.

5. Social emergencies | Assistance in social emergencies caused by economic, political, environmental issues, whether these are persistent or occasional.

Impact in 2023: 20,432 beneficiaries.
Some examples:

- Galp Ukrainian Integration Programme: almost two years after the invasion of Ukraine by Russia, this programme implemented in the academic year of 2022/2023 supported 25 students.

- Cabo Delgado: we focused on reducing the impact of the armed conflict on the displaced population by delivering food, clothing, school supplies, and other goods to children and school communities.

Volunteering programme

Galp's volunteer programme, aligned with our social investment strategy, grants employees six days annually for community engagement to foster internal alignment, skill development, and local community investment. It is fully supported by our Executive

Committee and, in 2023, we reached 25% of the total headcount in volunteers, moving closer to the 2025 target of 26%. Galp volunteers spent almost 9,000 hours on volunteering activities, with a strong focus on the social emergencies pillar.

More information regarding our contribution to local communities can be consulted in our Galp's Foundation Management Report (link here).

Measuring our social impact

We measure our progress against our social objectives according to the Business for Societal Impact (B4SI) methodology.

2023 Social Impact	
Motivation (€m)	
Donations	1.5
Community investment	33.9
Commercial initiatives in the community	0.7
Europe	9.5
Middle East and Africa	1.6
North America	0.02
South America	25
Total (€m)	**36.1**
Motivation (%)	
SDG 4: Quality Education	74
SDG 7: Affordable and Clean Energy	7
SDG 10: Reduced Inequality	8
SDG 11: Sustainable Cities and Communities	2
SDG 13: Climate Action	6
SDG 17: Partnerships for the Goals	1
Number of beneficiaries	1,712,092
Number of beneficiary entities	5,101
Volunteering	
Number of volunteers	1,756
Volunteering hours (Galp employees)	8,937

Create, promote and support green jobs

Apart from the new projects in Sines that will support access to and the creation of green jobs, the reconversion of the former Matosinhos refinery site will also follow the principles of innovation and sustainability. The demolition works started in October 2023 and will take place over a period of two and a half years. The macro perspective of this redevelopment project is to attract investments that guarantee qualified employment through a technological hub, structured around a university campus, a technology park and business centres. More information on the Matosinhos project can be consulted on our website (here).

Promote Diversity

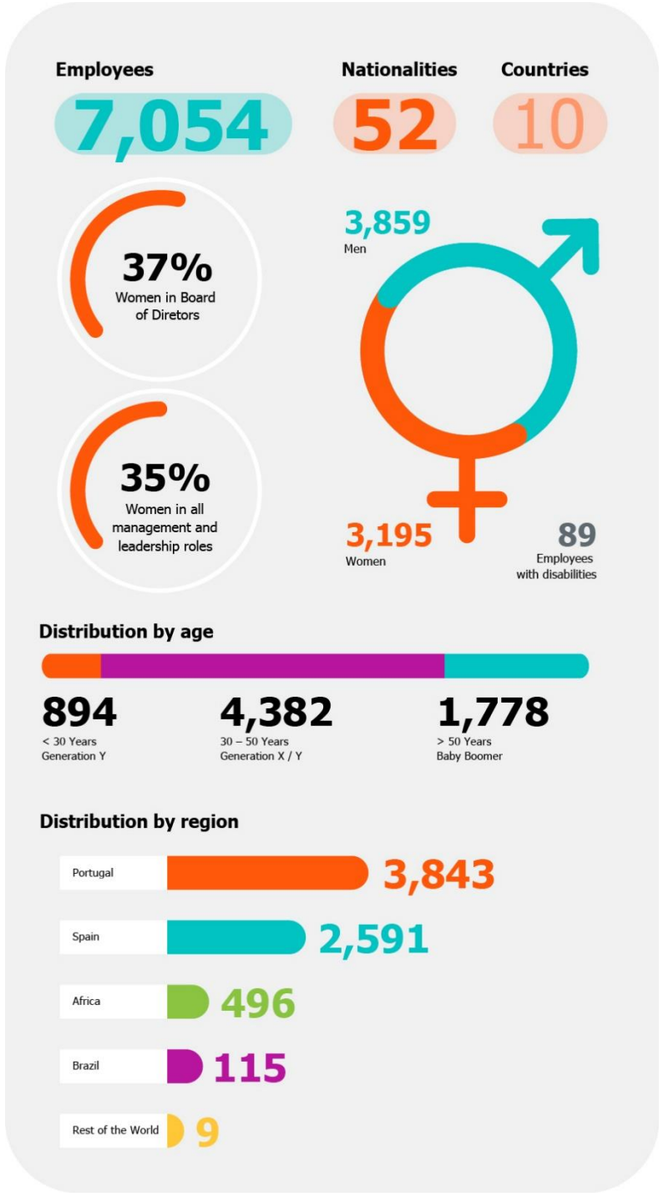
Galp is developing a strategic plan for Diversity, Equity, and Inclusion (DE&I) to foster a sustainable culture that embraces diversity across gender, abilities, backgrounds, race, age, cognitive diversity, and more. In the process, Galp is focused on promoting a DE&I culture and addressing inequalities.

Elevate a DE&I culture and tackle inequalities

In 2023, Galp was once again included in the Bloomberg Gender Equality Index and was recognised alongside other companies for the excellence of its gender and equality practices, achieving an overall score of 86%.

In 2023, over 1,500 individuals across all geographies were impacted by the communication of the DE&I strategy. In addition to making information available to all employees via the intranet, we undertook a series of actions to raise awareness of the topic among employees.

As of 31 December 2023, Galp had 7,054 employees, in 10 countries.



Gender

We will continue working to increase female representation in leadership aiming to converge to gender parity. This ambition is measured by the Equality Plan, published annually, and approved by the Executive Committee. The 2024 Equality Plan, which contains our primary objectives for the pursuit of equality in treatment and opportunities for both women and men can be found here.

Galp continues to work towards accelerated convergence to gender parity by 2030. Despite having more than 45% of the employees being female, we are still below our ambition regarding gender parity in management positions.

Professional category	Female		Male	
Senior management	84	30%	197	70%
Middle / Other management	293	37%	503	63%
Total	**377**	**35%**	**700**	**65%**
Non-management	2818	47%	3159	53%

Gender empowerment in the leadership was visible in 2023 as we increased the percentage of women in the new Board of Directors from 28% to 37%. There was also a notable improvement in gender balance within board level committees, with three of the four committees now chaired by female members of the Board of Directors (Audit Committee, Sustainability Committee and Risk Management Committee).

In 2023, our efforts towards gender equality extended across various human resources practices:

Recruitment and Selection

- We set a goal of 50% of candidates of both genders in the longlist for external recruitment partners or selections. In 2023, 51.4 % of the new hires were women.

Training and Development

- Implementation of the LeadHER program, a set of initiatives designed to reinforce and support the development of women identified as having high potential to grow in positions of greater responsibility and impact.
- Participation in external leadership programs such as "Promova", a *Confederação Empresarial de Portugal* (Portugal's Employers Association) and NOVA School of Business and Economics executive program, and "Women on Board", an executive program developed by Vieira de Almeida's Academia.
- Implementation of the "Diversity Talks" initiative during 2023 and 2024, featuring internal and external guests to address the four pillars of DE&I at Galp. We highlight the talk "Man Up – What does it mean to be a man", an initiative carried out during the "Movember" movement.

Equal Pay

- Annual salary review with gender indicators to ensure informed decisions in this regard, with the evaluation and monitoring of metrics being aligned with ACT and Bloomberg GEI.

	2023
Global gender pay gap[1]	18%
Adjusted gender pay gap[2]	2.6%

[1] The global gender pay gap is calculated by subtracting the average female compensation from the average male compensation and dividing the result by the average of the male compensation. The gender pay gap indicator considers annual base pay.
[2] The adjusted gender pay gap considers the different job grades within the company, subject to weighting, thus determining their position relative to each organizational structure and the respective proportion of employees in each job grade.

Galp continued its efforts to promote equity and fairness in compensation practices, showing a decrease of 1 p.p in the global gender pay gap, compared to 2022. The adjusted gender pay gap metric, which considers the effect of the different job grades within the company, improved among retail employees (-4 p.p vs 2022) who represent around 45% of our workforce, and among non-retail employees (-2 p.p vs 2022), resulting in an overall value of 2.6%.

Youth

In 2023, we built an integrated youth journey to provide more opportunities for young individuals to enter the workforce and be better prepared for the future. Accordingly, we have developed a roadmap of events to get closer to young people and introduced two new programs: Summer Internships (Summer Break Galp) and Galp Operations (Trainee Program for our Galp stores). Details can be found in chapter 4. of this report – Part II - Protect and empower our People – Galp as a great place to work.

We maintain our ambition of increasing young talent from 12% to 24%. This is applicable to the companies in the group covered by the Pact for 'More and Better Jobs for Young People', sponsored by the José Neves Foundation.

Currently, 13% of our employees are aged 30 years or younger, and we are working to increase this to 24% by 2026. In this first year, we saw an approximate 1 p.p increase.

Disability

At Galp, we reject any discrimination based on disability by ensuring parity in opportunities and treatment within the workplace. We actively participate in the Inclusive Community Forum (ICF) initiative, dedicated to fostering the integration of individuals with disabilities into the broader community. As a testament to our dedication, Galp has pledged to increase representation of employees with disabilities, tackle primary barriers to inclusion and concurrently promote their employability.

We increased 20% of employees with disabilities according to the applicable national legislation, in relation to the previous year. We will continue our efforts to ensure that 2% of the total workforce are people with ≥ 60% disability. This ambition is applicable to Portugal, Spain and Brazil.

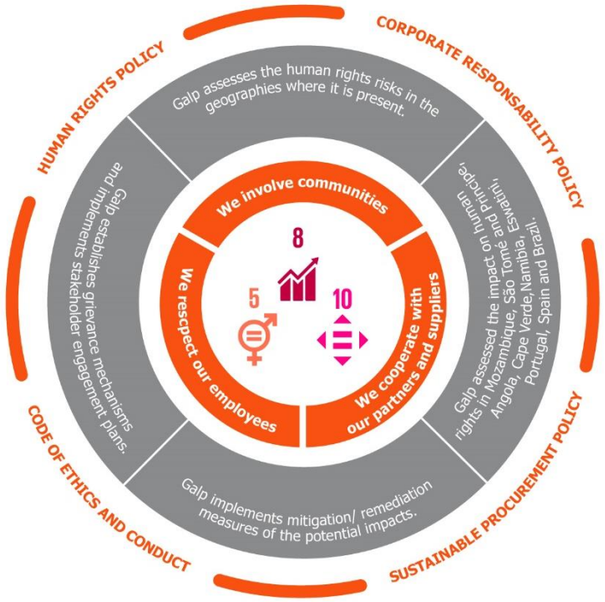
Respect Human Rights

To achieve our ambition, Galp is focused on the following drivers:

- Address findings and potential impacts
- Spread Human Rights awareness in our ecosystem

Our Human Rights Policy, (accessible here) reflects globally acknowledged standards for business and human rights, such as the relevant principles of the United Nations Global Compact (in which Galp participates), the United Nations Guiding Principles on Business and Human Rights (the "UNGPs"), the OECD Guidelines for Multinational Enterprises, as well as the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Based on its Policy, Galp is committed to encourage its suppliers, business partners and customers to respect human rights and to ensure risk-based management processes, in accordance with a value chain perspective of responsible business conduct.

We therefore implement procedures to prevent direct or indirect abuses or violations of internationally recognized human rights resulting from our operations and to ensure alignment of our business activities with the OECD Guidelines for Multinational Enterprises and the UNGPs.



Respecting human rights is also crucial to comply with the minimum safeguards criteria required by the EU Taxonomy regulation. The purpose of minimum safeguards is to ensure that entities carrying out economic activities that are considered Taxonomy-aligned are not involved in breaches of key social principles and human rights violations. Galp conducts human rights due diligence according to the above standards and is committed to protect and uphold human rights throughout all its activities in the value chain. Find out more about Galp's corporate documents and policies (link here).

Addressing findings and potential impacts

Galp evaluates potential impacts and risks associated with human rights violations. We have conducted human rights impact assessments in our operations which have resulted in the formulation of action plans. All this information is publicly available in the Human Rights Annual Status Report (available here).

Galp acknowledges the complexities of implementing human rights due diligence across its operations and value chain. It is therefore proactively taking steps to systematically identify, assess, prevent, mitigate, and be accountable for its human rights obligations in accordance with established standards. To ensure the effectiveness of its due diligence process, Galp has put together an internal team and enlisted a Human Rights Specialist for specialized guidance aligned with the objectives set out in the Sustainability Roadmap. The 2023-25 roadmap also lays out plans for conducting comprehensive human rights risk assessments across Galp's operations and value chain, followed by the development and execution of targeted remediation strategies based on the findings of the assessment.

Spread Human Rights awareness in our ecosystem

As outlined in our Human Rights Policy, Galp is dedicated to spreading awareness of human rights issues within its ecosystem, which encompasses all relevant stakeholders. In 2023, Human Rights was a topic of the Sustainability Committee's agenda, focused on the requirements of the directive proposal EU CSDDD (Corporate Sustainability Due Diligence Directive). In addition, we dedicated around 1,500 hours of training in Human Rights topics to our employees across all geographies.

4. Protect and empower our people

Our **2030** ambitions	Safest energy company in the world			Galp as a great place to work
Target 2023-2030	Achieve a LTIF ≤ 0.9 by 2023 Achieve a TRIR ≤ 2.0 by 2024	Zero Fatalities	Zero Tier 1 process safety events	Achieve an employee engagement Index above 75%[1]
KPI	LTIF / TRIR	Fatalities	Tier 1 events	Engagement level
Performance 2023	1.6 / 2.4	1	2	76%
Material topic	Safety			Development of Human Capital; Talent attraction & retention; Work practices and conditions

Our alignment with the **SDGs**

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

[1]Taken by an internal survey and compared to the benchmark for Energy Industry and High performing companies

● 2023 performance according to plan ● 2023 performance below expected

Safest energy company in the world

Our ambition is to elevate health, safety, and environmental protection as core values. Following recognised international guidelines and implementing safety best practices, we ensure that safety management systems is comprehensively integrated across our operations. We aim to enhance performance by ensuring asset integrity and fostering a safety culture throughout the organisation.

To achieve our ambition, Galp focus on the following drivers:

- Guarantee no personal harm for all
- Prevent major industrial accidents
- Incorporate safety culture in our DNA

Guarantee no personal harm for all

Galp works to reduce accidents based on the firm belief that all events can be avoided. The top management team has a weekly safety performance status report, including LTIF and TRIR performance, along with relevant highlights. Galp has a structured process for assessing risks that spans the entire organisation, and mitigation measures are established when needed.

This year, we implemented several initiatives to enhance safety, including dedicated programs that address the specific challenges associated with driving.

We continued to carry out awareness activities across Galp's facilities. These include dedicated to safe driving, namely simulations of the Safe Driving Life Saving Rule – Driving Speed and using mobile phones.

Galp acknowledges the significant safety risks associated with road transport. We regret that, despite our efforts, during 2023, a fatality occurred in Guinea-Bissau, involving a Galp tank driver and another vehicle. Immediate assistance was provided to the injured individuals. Following the incident, a thorough investigation was conducted by a multidisciplinary team to ensure an independent and robust examination. Galp also provided full support to the family of the victim.

Road Safety Program

A Road Safety Program was implemented in Commercial transporters, with the following **operational key focus areas:**

- Emergency response
- Driver competences & risk awareness
- Medical surveillance
- Vehicle maintenance
- Journey management plan
- Fatigue management

Emergency Response

We work for an effective emergency response to guarantee a proper response management for all our assets. We follow Company's standards and collaborate with the relevant stakeholders to define plans for internal emergencies at our facilities. Our strategy also involves developing plans, emergency training programs, and drills.

Safety Performance

In 2023, overall safety performance decreased compared to 2022. There was an increase in accidents resulting in sick leave and involving 18 employees and 27 service providers. This was partly due to the Sines Refinery turnaround. However, it is worth noting the positive developments in several business departments related with the reporting, which reflect a growing safety culture.

	Employees		Service providers		Total	
	2022	2023	2022	2023	2022	2023
Fatalities	0	1	0	0	0	1
Accidents LTIs [1]	7	19	24	27	31	46
Accidents RWC & MTC [2]	3	9	20	14	23	23
LTIF [3]	0.6	1.6	1.8	1.6	1.2	1.6
TRIR [4]	0.8	2.4	3.3	2.5	2.1	2.4

[1] LTIs: Lost time injuries.
[2] RWC & MTC: Restricted Work and Medical Treatment Cases.
[3] LTIF (Lost Time Injury Frequency): all accidents with lost time (including fatalities) per million work hours. Aligned with Concawe definition.
[4] TRIR (Total Recordable Injury Rate): all accidents (includes fatalities, accidents with sick leave and medical treatment, excludes first aid) per million work hours.

Prevent major industrial accidents

Galp ensures proactive risk management through the comprehensive analysis and prevention of activity risks. Prevention is key for us and is achieved through effective safety practices such as regular maintenance and inspections across all assets.

We offer communication and training programs to ensure that individuals involved in the operation, maintenance, and inspection, have the necessary information and knowledge of the safety process. One example is the adoption of the IOGP Process Safety Fundamentals (PSFs), a complement of the Galp Life Saving Rules. This is intended to prevent process safety events and enhance awareness, particularly for front-line workers and contractors. These principles began to be implemented in the Sines refinery and are expected to be extended to other teams in 2024.

Sines Refinery Turnaround

The Sines Refinery conducted a significant turnaround in 2023 encompassing most of its units. It required more than one year of preparation and more than 50% of the scope was related to Safety/Integrity.

The turnaround involved around 2,500 people and proceeded according to plan, was performed safe and without any significant incident.

Turnaround main goals:

- Guarantee equipment integrity and safety for the next cycle
- Assure business continuity
- Compliance with European legislation, namely the Pressure Equipment Directive (2014/68/EU)

Our process safety events rate (both tiers) has significantly improved since 2021 partly due to our focus on Asset Integrity.

Process safety event rate	2021	2022	2023
Tier 1[1]	0.13	0.04	0.07
Tier 2[2]	0.49	0.28	0.21

[1] Tier 1 is a primary containment failure with major consequences: unplanned release from a process of any material, including non-toxic and non-flammable materials, resulting in very serious consequences.
2 Tier 2 is a primary containment failure with minor consequences: unplanned release of any material, including non-toxic and non-flammable materials, with consequences.

Incorporate safety culture in our DNA

In 2023, Galp promoted initiatives to reinforce its safety culture, which impacted the geographies where we operate:

- **Galp Safety Leaders Way (GSLW)**

We continued to promote the leadership programme and involved three main focus groups – senior management, frontline leaders and the workforce – in order to embed a safety vision in all company employees and contractors. In 2023, we created the first "Lead Safe Work Champions", with the first training sessions in the Industrial business unit.

- **TRIPOD Beta methodology**

We adopted the TRIPOD Beta methodology, as a tool to support our current incident investigation analysis. This new method is mainly used for complex incidents, due to its detailed nature. Training was provided to various teams to ensure the acquisition of skills and competence necessary for the effective application of this new approach throughout the organisation.

Galp Safe Energy Day

As part of our safety journey, we celebrated our Safe Energy Day on the 12th December 2023. The theme chosen for this year was the Stop Work Authority. Although this is not a new topic at Galp, its scope of use has been enhanced, clarifying that everyone, partners included, has the responsibility and authority to use this tool when faced with a situation that puts themselves, others, the public, or the environment at risk.

Our CEO, as well as other members of the Executive Committee and Leadership Team, used the day to emphasise the importance of our partners' role in this process.

Galp as a great place to work

We prioritise lifelong learning, diversity, inclusion, well-being, and human rights at Galp. Our integrated approach spans recruitment, performance management, rewards, learning, mobility, and sustainability.

To achieve our ambition, Galp is focused on the following drivers:

- Reenergise our people
- Advocate people's wellbeing as a top priority

For another consecutive year, we performed a pulse survey that was sent to all employees. The survey is designed to improve our understanding of how we are progressing on key issues that are part of our overall experience in the organisation and to identify opportunities for improvement.

The response rate was 73% and the Engagement Index reached 76%, above our 75% target, an improvement on last year. 86% of our employees feel proud to work for the company and 81% would recommend it as a good place to work. We will continue to identify high-impact areas with lower scores, and, in collaboration with the different Business Units, define action plans to address these concerns by continuously monitoring the impact of the initiative and promoting frequent communication with all employees throughout the process.

Reenergise our people

Our focus on developing new capabilities promotes agility and enhances organisational performance, supported by our five strategic pillars: Care, Cultural Change, Leadership Development, People Experience and New Ways of Working.

A significant outcome of this strategy is our internal mobility program, which is a development opportunity for our employees. In 2023, a total of 124 individuals underwent internal departmental changes, with internal candidates filling 23% of the total internal hires.

We continued to expand our employee benefits. As from 1 January 2023, we guaranteed all employees of the Galp group a minimum of 25 days of annual leave, with the corresponding compensation.

Attract and empower talent

Regarding the attraction of young talent, Galp promoted several initiatives impacting the regions where it operates:

- **Generation Galp**

  The 25th edition of the program welcomed 56 trainees, in Portugal, Spain and Mozambique, of which 43% are men and 57% are women. Embracing diverse academic backgrounds, this program is aligned with our DE&I strategy. With 924 trainees hired since 1998, Galp currently has 551 employees who originated from this program, 38% of them holding leadership positions.

- **Operations Galp**

  Galp introduced a trainee program focused on individuals who are passionate about the Commercial and Retail business. The first edition welcomed three interns in Portugal and Spain. Future editions in 2024 are planned to engage more young talents from new geographies and promote a more diverse gender distribution.

- **Ready.Set.Galp**

  For the third consecutive year, Galp launched the "Ready.Set.Galp" internship program. This program, initiated in 2021, aims to provide interns with their first work experience at Galp while finalising their studies. This edition had five interns, 80% of whom were women and 20% men. Additionally, 26 curricular internships were recruited outside this program.

- **Galp Integration Program**

  In November 2023, 13 employees, 77% women and 23% men were recruited under the Galp Integration Program, part of the "Together for Ukraine" taskforce aimed at empowering individuals by providing career opportunities in their respective fields of expertise and assisting them with rebuilding their lives to contribute to the local community.

- **Expand**

  In early 2024, we launched the Expand program, which has an approach centred on each employee's learning needs and provides access to various learning resources, which can be customized to different career stages and adapted to each employee's time availability.

In addition to these internal programmes, in 2023, we also recruited and incorporated 68 professionals through internships. We are focused on reaching the goal of 24% youth employment by 2026, as set by the Portuguese "Pacto para Mais e Melhores Empregos para os Jovens" (Pact for More and Better Jobs for Young People), and therefore aim to enhance our existing programs.

Creating a recognition culture

In 2023, improvements to the performance appraisal model were implemented to address organisational feedback and reinforce cultural alignment and to enhance the overall experience by simplifying the process and achieving better model results.

We also launched the GROW (Great Recognition of Outstanding Work) programme, to promote a culture of acknowledgment and experimentation. A total of 205 employees were acknowledged with this award.

Advocate people's well-being as top priority

We focus on a global health and wellbeing strategy that includes physical and mental health. Our main pillars of purpose are:

- Promote an holistic health & well-being strategy with a global footprint;
- Consider health protection from a comprehensive perspective, taking into account all aspects of the physical, mental health and well-being of our people;
- Reinforce support in areas such as mental health or financial well-being;
- Greater preparation and involvement of leaders on well-being issues.

Protecting the health of our people

A healthy workforce is vital for a thriving and sustainable organisation as this boosts morale, job satisfaction, and overall performance. It fosters a positive work environment and helps to attract and retain top talent for long-term success and sustainability.

In 2023, our occupational medicine team continued to develop initiatives aimed at enhancing and raising awareness of health-related topics. Some of the initiatives include providing a breastfeeding room in the new Lisbon headquarters and at Sines, Matosinhos and Madrid, the dissemination of information and tools to support mental health, continuing to perform periodic medical examinations, with more than 200 health scans and around 700 flu vaccines administrated.

We launched our Balance Program with several initiatives that were carried out, starting with an activation phase, followed by the definition of ambassadors, offer of physical & financial workshops, tips for leaders and tools and resources like flyers on various health & well-being related topics. In our new Lisbon headquarters, we have also created a space that promotes physical and mental well-being. From introducing height-adjustable desks in the workspace to providing access to an employee only wellness centre, every aspect of the building is designed to contribute to the comfort of its users and offer access to diverse and inclusive environments. Moreover, we have continued our engagement with employees through several Talks@Galp, touching on topics like Financial Health, Sleep, Nutrition and Oral Health, Breast Cancer Prevention and Screening and World Heart Day.

From 2024 onwards, we will continue fostering a robust health & well-being roadmap that prioritises people and helps them adapt to change, contributing positively to their long-term happiness and success.

Promoting flexible work conditions

After fully implementing the “Smart Work” – Hybrid Home Office Policy – in 2022, we continued to improve in 2023 with several initiatives such as the home office risk assessment pilot, a survey and evaluation by occupational medicine of work risks from home. This was piloted with a group of 160 employees. The "Work well, stop better" program offered specific support for a group of approximately 100 employees at high risk from demanding workloads, cognitive requirements, and work rhythms.

5. Promote a value-adding, conscious business

Our **2030** ambitions	Embed sustainability in our culture	Transparency and ethics as key principles		Sustainable supply chain driving our business	No significant cyber security breach
Target 2023-2030	Embed Sustainability roadmap in the organization	Implement an internal control framework for non-financial information (NFI) by 2024	Zero tolerance for corruption and other unethical practices	100% tier 1 suppliers evaluated in terms of ESG by 2025	Zero significant cyber security breaches
KPI	Performance evaluation linked to ESG metrics	NFI Improvement Plan	Cases reported in need of disciplinary measures (Open Talk)	Tier 1 suppliers evaluated in terms of ESG	Significant cyber security breaches
Performance 2023	Safety and Climate annual performance metrics for all employees and executive members (weighing 25%)	Governance Model for NFI Reporting defined and start of execution	0%	95%	0
	●	●	●	●	●
Material topic	All sustainability topics	Business Ethics		Sustainable supply chain management	Security
Our alignment with the **SDGs**	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES		11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

● 2023 performance according to plan ● 2023 performance below expected

Embed sustainability in our culture

Shared accountability for success

Management commitment

Effective sustainable value creation requires a committed leadership, a clear strategy, and robust governance. In line with this, Galp fosters engagement of the Board of Directors through its Sustainability Committee. In 2023, this Committee covered key topics such as the sustainability roadmap, decarbonisation, climate and nature risks and opportunities, the ESG regulatory context and disclosures, ESG indices and external engagements, among others.

The ESG Corporate Forum was created in November 2023, gathering top managers from different departments to leverage strategic empowerment of the group and ensure its preparedness to address and unlock potential risks and opportunities.

Sustainability incentives

Galp's commitment to decarbonisation and leadership in the Energy Transition is reflected in its performance evaluation through ESG indicators. This is linked to variable remuneration and is applicable to all employees.

Employees

The 2023 scorecard continued to emphasise Sustainability-related metrics, namely safety and decarbonisation, which represented a total of 25% of the weight of all annual performance indicators. In addition, 35% of the employee scorecard was allocated to achieving strategic milestones including, among others, topics related to the renewable energy portfolio, cybersecurity and the engagement level of employees.

Executive Committee

The Remuneration policy for corporate bodies was reviewed, with an increase of weight allocated to sustainability-related metrics. The new scorecard includes a total weighting of 25% of annual performance indicators linked to safety and decarbonisation, consistent with those applicable to all employees. Additionally, to fully align with Galp's long-term goals and sustainability objectives, the executive directors have a specific long-term incentive in the form of Galp shares, vested after four years. The Remuneration Policy is reviewed annually and made publicly available (link here).

Objective Key Results (OKR)

The OKR methodology, implemented in Galp in 2022, provides a clear framework for aligning teams, setting ambitious goals, and measuring progress in a transparent and results-driven manner. The list of OKRs includes several sustainability related OKRs for safety, decarbonisation, renewables, cybersecurity, employee engagement, among others.

Our certifications

Our Integrated Management System includes the following components: external ISO 9001 and ISO 14001 certification, ISO 50001 at the Sines Refinery, EN 12591:2009 (CE marking) at the Viana do Castelo Park and SEVESO in the applicable sites. In addition, our internal Health, Safety, and Security integrated system incorporates four core processes: change management, work authorization, emergency preparedness, and accident investigation. The new Lisbon headquarters has initiated the process to obtain LEED and WELL Platinum certifications, clearly indicating that it prioritises having a sustainable building that considers efficient emissions, water, and circular economy practices, as well as human health and wellbeing.

Transparency and ethics as key principles

We have zero tolerance for corruption and other unethical practices and strive to foster trust among all stakeholders by consistently acting in an ethical and transparent manner and emphasizing how these principles are imperative for Galp.

To achieve our ambition, Galp focuses on the following drivers:

- Zero tolerance for unethical practices
- Increment greater ESG disclosure, clarity, and accuracy

Zero tolerance for unethical practices

Our Code of Ethics and Conduct (link here) reflects Galp's corporate values and commitments, and outlines the fundamental ethical guidelines applicable to all stakeholders.

Embracing ethics

As part of its commitment to being a great place to work, Galp is reinforcing a culture of ethics and ensuring a secure work environment free from unethical practices, both internally and externally.

Fighting corruption and other unethical practices

Galp, strictly prohibits any engagement in corrupt practices. To strengthen these efforts, we have implemented a robust Corruption Prevention Policy and a comprehensive Prevention of Money Laundering and Financing of Terrorism Policy (link here). These policies describe our commitments and are applicable across the entire group and its workforce. Our dedication to this issue also extends to ensuring consistent adherence to the provisions of the Code of Ethics and Conduct. This commitment is in line with the highest standards, and reflects best practices as articulated in various international benchmarks, such as the United Nations 2004 Convention to Combat Corruption (UN Global Compact 10 principles).

Communicating irregularities

Galp's Open Talk serves as a secure, confidential, and optionally anonymous channel for addressing questions, concerns, or reports of violations within the scope of our Code of Ethics and Conduct. For example, possible offences to human rights such as harassment or discrimination or acts of fraud and corruption. The channel is accessible to any stakeholder within Galp's network and is overseen by the Ethics and Conduct Committee.

Reports and calls submitted via the Open Talk channel find their way to Galp through an independent third-party ethics line provider that takes charge of communicating these submissions to the Ethics and Conduct Committee, ensuring a vigilant process that safeguards individuals against any form of retaliation.

Increment greater ESG disclosure, clarity, and accuracy

Galp is dedicated to enhancing transparency in disclosing non-financial performance by adhering to globally recognised reporting standards and frameworks.

The crucial role of non-financial information (NFI)

After submitting our Non-Financial Information (NFI) control process to an independent assessment in 2022, Galp initiated implementation of an improvement plan focused on four key areas – governance model, internal control model, process and support systems. This will enhance our preparedness to comply with upcoming regulation and voluntary disclosures from 2024 onwards, namely the Corporate Sustainability Reporting Directive (EU CSRD). This project is actively sponsored by the Sustainability Committee, the elected supervisory body for NFI, and the Executive Committee, which has the duty to promote an accurate, consistent and auditable NFI reporting culture and evaluate, jointly with the Audit Board, the operational effectiveness of internal control system over NFI.

Our ESG recognitions



and reporting frameworks



EU Taxonomy

The EU Taxonomy regulation, part of the European Green Deal and Sustainable Finance framework, provides a common framework for evaluating the sustainability of economic activities. It guides investments toward endeavours that positively impact the environment and society and outlines criteria to recognize sustainable economic activities that support EU environmental goals. In 2023, the Environmental Delegated Act was adopted. This addresses the remaining four environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. This delegated act is in addition to the Climate Delegated Act on climate change mitigation and adaptation objectives, adopted in 2021.

In 2023, amendments to the Climate Delegated Act were published and adopted by the European Commission. These correct some criteria and add others for new activities. These changes extend to the Disclosures Act.

As in 2022, in 2023, Galp once again conducted an analysis of the eligibility and alignment of its business activities, considering the Delegated Acts outlined in the EU Taxonomy Regulation, and including the most recent Environmental Delegated Act.

For additional details regarding Galp's EU Taxonomy context, alignment, and performance, please refer to Part V – Appendices (1. Non-financial consolidated information).

Galp Low Carbon capital allocation

Galp strategy is to allocate a significant part of its investments directly to projects or initiatives that support energy transition, have reduced impact on carbon emissions and contribute to a more sustainable future. Galp's EU Taxonomy eligible activities have been included in this capital allocation, along with other activities that are not thus far eligible under this regulation but may contribute significantly to mitigating climate change, such as investments in the battery value chain and industrial energy efficiency projects in the Refinery. Galp's strategic plan foresees that over 45% of the gross capital expenditures planned during 2023-2025, will be allocated to low carbon activities. The plan includes several projects already committed or at an advanced stage of development.

Sustainable supply chain driving our business

Working with our c. 3,500 suppliers and partners is key to achieve a stable, resilient and transparent supply chain and to ultimately improve the global ESG path.

To achieve our ambition, Galp is focused on the following drivers:

- ESG as primary criteria for managing all our suppliers
- Act for change, together with our suppliers

Galp is engaging with suppliers to share, act and cascade on its own supply chain to our Code of Ethics and Conduct and to the fundamental principles of the Sustainable Procurement Policy, updated in 2022 (link here):

- Respect for human rights and working conditions
- Acting with transparency and integrity
- Assume quality as a critical success factor
- Protection of the environment, people, and assets

The relationship with our business partners is built on known policies, codes and practices, aligned with the highest ethical, social, environmental, and quality standards. Besides including sustainability criteria clauses in its purchase contracts, Galp also has processes in place to assess and manage the ESG risks of the supply chain.

ESG as primary criteria for managing all our suppliers

Sustainability is embedded into every step of the procurement process. We have developed a supply chain programme (supported by Supply4Galp platform) that makes it possible to better evaluate our value chain, from registration and qualification to contracts and monitoring.

Sustainability4Supply

We are conducting a sustainable supply chain program, initially targeting strategic suppliers and involving collaboration across various teams within the Organisation. The program aims to strengthen our path towards a responsible and transparent supply chain, and is currently focused on three key priorities:

- Enhancing our understanding of Galp's supply chain ecosystem
- Updating and reinforcing ESG criteria integrated throughout the supply chain process
- Improving the ESG assessment phase within the supply chain

This program will increase the effectiveness of our process and better address current and potential ESG-related risks and opportunities in the supply chain. We also anticipate that it will spur on our suppliers to advance their ESG practices even further.

Continuous monitoring of supplier performance

Galp performs regular audits of our tier 1 suppliers. These audits take into account the relevant legislation in the country where they were carried out. If a substantial issue is detected during an audit, Galp ensures that the supplier develops and implements a corrective action plan.

Galp's target for 2023 was to conduct 60 on-site audits of suppliers. This was clearly exceeded as there were 72 on-site audits. For 2024, the target is to maintain 60 on-site audits.

We also seek to promote local development and prioritise contracts with local products and services – around 75% of our total procurement is locally-based.

Galp engaged with 3,574 suppliers of 1,109 of which were tier-1 suppliers and 523 critical[1] suppliers.

[1] Critical suppliers are suppliers that fall into at least one of these criteria: > € 250k, with HSE, cyber-security, GDPR or business continuity risks; non-replaceable suppliers, suppliers of goods or services whose failure to supply or continue operations may affect the Galp Group's activities, in areas such as legal compliance and the safety of people, assets and the environment.

Over the past three years, 96% of Tier 1 suppliers have undergone assessments to evaluate their exposure to sustainability risks, exceeding the target. This trend demonstrates a steady rise in the number of suppliers assessed since 2021.

Percentage of suppliers assessed in the last 3 years	2021	2022	2023	Target
Tier 1	88%	95%	96%	95%
Critical Non-Tier 1	90%	81%	91%	95%

Galp values suppliers who hold certifications in internationally recognized standards, as it considers them a guarantee of its commitment to consistently improve its sustainability performance. The number of certified suppliers has consistently risen since 2021. Added to this, in 2023, 10% of Galp's critical tier 1 suppliers audited were certified.

Certified suppliers	2021	2022	2023
ISO 9001	2,426	2,643	3,024
ISO 14001	1,389	1,540	1,808
OHSAS 18001/ISO 45001	1,387	1,525	1,757
Other certifications	366	497	699

Act for change, together with our suppliers

We are confident in our ability to actively challenge our suppliers to improve their sustainability practices and enhance their sustainability path.

Corporate procurement initiatives

As part of our sustainability journey, particularly in the context of the supply chain dimension, our Global Procurement & Contracts team organised several initiatives, including a Convention called "2023 Procurement Bloom" on November 29-30th. This event addressed "Trust, Innovation and Partnerships", as key success factors for coming year. Our Business Units and Corporate Center had the opportunity to exchange and align perspectives, learn from external experts, and strengthen bonds.

Relevant information and supporting materials are available on the Galp Global Procurement website, Supply4Galp (link here).

No significant cyber security breach

In the face of evolving technology and increasing cybercriminal threats, Galp has significantly prioritised cybersecurity to prevent significant breaches, strengthening resilience and embedding a strong cyber culture within its operations.

To achieve our ambition, Galp is focused on the following drivers:

- Strengthen cyber resilience in our operations
- Incorporate cyber culture in our DNA

Strengthen cyber resilience in our operations

Our dedicated Red Team has conducted assessments and an annual Cyber Crisis drill, engaging management to ensure preparedness. Substantial investments persist in fortifying Cyber Resilience across our industrial areas, adeptly countering evolving threats in the energy sector.

Galp maintains a 24/7 Cyber Security Incident Response Team (CSIRT) to coordinate incident responses and ensure resilience. We continuously improve our cybersecurity posture by identifying and monitoring lessons learned, and actively engage in threat intelligence exchange with authorities and peers. Our CSIRT team has been recognized in the European CSIRT community (TF-CSIRT) and included in the Forum of Incident Response and Security Teams (FIRST), showcasing our commitment to best practices.

Incorporate cyber culture in our DNA

In 2023, Galp also defined a new cybersecurity roadmap and began implementing several initiatives aimed at aligning Galp's Cyber Maturity with the global top quartile for all sectors, being already above the global benchmark.

Galp as a top performer on cybersecurity

As per the evaluation conducted by a Cyber Ratings company, Galp currently stands among the top 5% of companies in the Global Energy Sector concerning its cybersecurity posture, improving its ranking compared to last year.

Additionally, in 2023, several initiatives were launched to raise employee awareness of the cyber threats that have gained weight in the current macro context, as well as public alerts to customers and society in general regarding situations in which cybercriminals have tried to take advantage of Galp's reputation to carry out cyber fraud attempts. Galp continued to invest in promoting a Cybersecurity culture programme through its "CyberOn" brand. In addition to dozens of awareness-raising contents, campaigns and training – including regular phishing exercises – a new Cyber Gamification platform, "CyberOnYou", was put in place to explore other security gaps and measure the effectiveness of the awareness-raising and training content being developed through this adaptive learning approach. Also, in line with our goal of incorporating a cyber culture into our DNA, since 2023 we have had compulsory training on Cybersecurity topics.

Strengthening cybersecurity in the ecosystem together with our peers

As a member of the Portuguese Cybersecurity Alliance and a member of its Executive Committee, Galp continues to invest in promoting cooperation between companies and public entities in protecting the digital economy. The Alliance aims to act as a platform for cooperation, aggregating best practices and proactively accelerating their adoption by the market.

Galp, in collaboration with our colleagues at the WEF, contributed to the development of a guide to unlocking Cyber Resilience in industrial environments.

DELIVERING ENERGY FOR LIFE



PART III
Corporate Governance Report

galp

This report describes in detail the corporate governance structure and practices adopted by Galp in 2023, to comply with Article 29-H of the Securities Code ("CVM")[1] and the governance code report model approved by CMVM Regulations No. 4/2013, which is available on CMVM website at https://www.cmvm.pt/PInstitucional/Content?Input=0DF60006343686B56BFAF0C5F2EE542CF5A0C2DD688CBE5F6F9C941D526B2D7B

[1] All references to Articles without indication of the respective legal act are considered to be made to the CVM.

Information on the Company shareholding structure, organisation and governance

A. Shareholding structure

I. Capital structure

1. Capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including shares that are not listed, different classes of shares, the corresponding rights and duties and the capital percentage that each category represents (Article 29-H(1)(a)).





92% Shares listed on Euronext Lisbon (715,003,211)

8% Unlisted shares – held by Parpública (58,079,514)

Note: non-listed shares are owned by Parpública and, under the applicable legal framework, must be placed in the market, as they were not used to repay the exchangeable bonds. These shares do not have any special rights and may be fungible with the remaining shares upon request without requiring the approval of any of Galp's corporate bodies.

2. Restrictions on the transfer of shares, such as consent clauses on disposal or limits on share ownership (Article 29-H(1)(b)).

Galp shares are freely transferable with no restrictions in the By-laws to their transferability or ownership.

3. Number of own shares, corresponding percentage of share capital and percentage of voting rights corresponding to own shares (Article 29-H(1)(a)).

As of 31 December 2023, Galp held no own shares or bonds.

4. Material agreements to which the Company is a party and which come into effect, are amended or are terminated after events such as a change in the control of the Company following a takeover bid, as well as the respective effects, except where, owing to the nature of the same, disclosure would be seriously detrimental to the Company, except where the Company is specifically required to disclose such information pursuant to other legal requirements (Article 29-H(1)(j)).

Galp is not a party to any agreement which takes effect, is amended or terminated in the event of a change of control of the Company.

In line with market practice, some financing agreements and bond issues include change-of-control provisions, with the possibility of the relevant creditors/bond holders requesting early repayment. These contracts have no adverse financial effect on the transfer of shares in Galp nor on the assessment of the directors' performance by the shareholders.

Galp has not adopted any mechanism that entails making payments or undertaking responsibility for costs in the event of a change of control or a change in the composition of the Board of Directors that could adversely affect the transfer of the shares and the assessment by the shareholders of the performance of the members of the Board of Directors.

5. Framework for the renewal or withdrawal of countermeasures, particularly those which establish a restriction on the number of votes that can be held or exercised by a single shareholder, individually or together with other shareholders.

Not applicable. Galp's By-laws enshrine the "one share, one vote" principle and there are no By-laws provisions or other legal instruments that impose any limitation on the number of votes that can be held or exercised by a single shareholder, individually or together with other shareholders, or other defensive measures.

6. Shareholders agreements which the Company is aware of and which could result in restrictions on the transfer of securities or voting rights (Article 29- H(1)(g)).

The Company is not aware of any shareholders agreements relating to Galp which could lead to restrictions on the transfer of securities or the exercise of voting rights.

II. Shares and bonds held

7. Details of the natural or legal persons that are, directly or indirectly, the holders of any qualifying holdings or special rights (Article 29-H(1)(c) and (d) and Article 16), showing the allocated percentage of capital and votes, as well as the sources and reasons.

Shareholders and other entities are required to report qualifying holdings to CMVM and to Galp when the holding attributable to such shareholder or entity reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the voting rights in Galp's share capital.

As of 31 December 2023, the qualifying holdings in Galp's share capital, calculated in accordance with Articles 20 et seq. of the CVM and reported to Galp, for the purposes of Article 16 of the CVM, were as follows:

Amorim Energia B.V.	No. of shares	% share capital with voting rights
Direct	276,472,161	35.76%
Total attributable	**276,472,161**	**35.76%**

Parpública – Participações Públicas (SGPS) S.A.	No. of shares	% share capital with voting rights
Direct[1]	62,061,975	8.03%
Total attributable	**62,061,975**	**8.03%**

[1] 58,079,514 of which are subject to privatisation process.

Massachusetts Financial Services Company	No. of shares	% share capital with voting rights
Direct	30,354,831	3.93%
Indirect[2] [3]	11,780,164	1.52%
Total attributable	**42,134,995**	**5.45%**

[2] Includes 11,682,177 shares and 97,987 depository receipts converted to the common stock shares.
[3] Held through the following entities: MFS Institutional Advisors Inc, MFS Investment Management Canada Limited, MFS Heritage Trust Company, MFS Investment Management Company (LUX) S.a.r.l., MFS International Singapore Pte. Ltd, MFS International (UK) Limited and MFS Investment Management K.K.

8. List of the number of shares and bonds held by members of the management and supervisory bodies

	Total of shares as at 01.01.2023	From 01.01.2023 to 31.12.2023						Total of shares as at 31.12.2023
		Acquisition			Disposal			
		Date	No. of shares	Value (€/share)	Date	No. of shares	Value (€/share)	
Members of the Board of Directors								
Chairperson								
Paula Amorim[1]	0	-	-	-	-	-	-	0
Vice-Chairmen								
Filipe Silva	20,000	-	-	-	-	-	-	20,000
Adolfo Mesquita Nunes	0	-	-	-	-	-	-	0
Directors		-	-	-	-	-	-	
Georgios Papadimitriou	0	-	-	-	-	-	-	0
Maria João Carioca	0	-	-	-	-	-	-	
Ronald Doesburg	0	2023-07-31	1,500	11,941.00 €	-	-	-	1,500
Rodrigo Vilanova	0	-	-	-	-	-	-	0
João Diogo Silva	1,000	-	-	-	-	-	-	1,000
Marta Amorim[1 2]	19,915	-	-	-	-	-	-	19,915
Francisco Teixeira Rêgo[1 2]	17,680	-	-	-	-	-	-	17,680
Carlos Pinto	0	-	-	-	-	-	-	0
Jorge Seabra[1]	0	-	-	-	-	-	-	0
Diogo Tavares	30,540	-	-	-	-	-	-	30,540
Rui Paulo Gonçalves[1]	0	-	-	-	-	-	-	0
Cristina Fonseca	0	-	-	-	-	-	-	0
Javier Cavada Camino	0	-	-	-	-	-	-	0
Cláudia Almeida e Silva	0	-	-	-	-	-	-	0
Fedra Ribeiro	0	-	-	-	-	-	-	0
Ana Zambelli	0	-	-	-	-	-	-	0
Members of the Audit Board								
Chairman								
José Pereira Alves	0	-	-	-	-	-	-	0
Members								
Maria de Fátima Geada	0	-	-	-	-	-	-	0
Pedro Antunes de Almeida	5	-	-	-	-	-	-	5

	Total of shares as at 01.01.2023	From 01.01.2023 to 31.12.2023						Total of shares as at 31.12.2023
		Acquisition			Disposal			
		Date	No. of shares	Value (€/share)	Date	No. of shares	Value (€/share)	
Alternate								
Jorge Costa	0	-	-	-	-	-	-	0
Statutory Auditor								
Effective								
Ernst & Young Audit & Associados, SROC, S.A. represented by Rui Martins	0	-	-	-	-	-	-	0
Alternate								
Luís Pedro Magalhães Varela Mendes	0	-	-	-	-	-	-	0

[1] For the purposes of Article 447, no. 2, paragraph d) of the Companies Code ("CSC"), it is further stated that Amorim Energia B.V., in which the director indicated also performs management functions, holds 276,472,161 Galp shares.
[2] Shares held by related parties.

On 31 December 2023, none of the members of the management and supervisory bodies held any bonds issued by the Company.

9. Special powers of the management body, particularly with regard to resolutions on capital increase (Article 29-H(1)(i)), stating the date the powers were conferred, the time period within which they may be exercised, the upper threshold for the capital increase, the amount already issued under the allocation of powers and the manner of implementing the allocated powers.

The Board of Directors has the management powers laid down in the Companies Code ("CSC") for the relevant governance model. The By-laws grant no special powers to the Board of Directors, in particular, it does not grant the power to resolve on share capital increases.

The Annual General Meeting of Shareholders held in 2023 granted the Board of Directors the power to acquire and dispose of the Company's own shares and bonds, on the terms to be decided in line with market conditions, and the criteria approved at the General Meeting of Shareholders, in accordance with the applicable law and regulations.

The relevant resolution is available on Galp's website at: https://www.galp.com/corp/en/investors/information-to-shareholders/general-shareholders-meetings/general-shareholders-meeting/id/24/annual-general-meeting-2023

10. Information on any material business relationships between the holders of qualifying holdings and the Company.

In 2023, there were no material business relationships between the holders of qualifying holdings and Galp.

B. Corporate bodies and committees

I. General Meeting

a) Composition of the Board of the General Meeting

11. Names and position of the members of the Board of the General Meeting and their term of office (start and end dates).

Under Article 11(2) of Galp's By-laws, the Board of the General Meeting consists of a Chair, a Vice-Chair and a Secretary, each of whom is elected at the General Meeting.

The members of the Board of the General Meeting elected for the 2023–2026 term of office, beginning on 3 May 2023 and ending on 31 December 2026 (without prejudice to remaining in office until the election of new members, where applicable), are as follows:

Chair: Ana Perestrelo de Oliveira

Vice-Chairperson: José Costa Pinto

Secretary: Sofia Leite Borges

b) Exercising the right to vote

12. Any restrictions on the right to vote, such as voting right restrictions based on a number or percentage of shares, deadlines for exercising voting rights or systems whereby the financial rights attached to securities are detached (Article 29-H(1)(f)).

The By-laws enshrine the "one share, one vote" principle and there are no By-laws provisions or other legal instruments which restrict the exercising of voting rights. There are no systems for detaching rights.

Galp has not established any mechanism that would have the effect of creating a discrepancy between the right to receive dividends or to subscribe new securities, and the voting rights carried by each share.

The right to vote is exercised pursuant to Article 10(1) of the By-laws, in accordance with the I and II Shareholders' Rights Directives, as transposed into the CVM. Therefore, any shareholder may attend, take part in the discussions and exercise its right to vote at the General Meeting, in person or by proxy, subject to the following requirements:

- on the record date, i.e., 00:00 (GMT) of the 5th trading day prior to the date of the General Meeting, the shareholder holds at least one share;
- shareholder communicates its intention to participate in the General Meeting to the financial intermediary where the individualised registry account is opened up to the day prior to the record date;
- the financial intermediary shall notify the Chair of the Board of the General Meeting of the shareholder's intention and shall send the information on the number of shares registered on behalf of its client by the end of the 5th trading day prior to the date of the General Meeting.

The exercise of these rights is not affected by the transfer of the shares at any time after 00:00 (GMT) on the record date and does not depend on the shares being blocked between that date and the date of the General Meeting. However, shareholders who – having declared their intention to attend the General Meeting – transfer the ownership of shares between 00:00 (GMT) on the record date and the end of the General Meeting must immediately inform the Chair of the Board of the General Meeting and CMVM, and this will not prejudice the exercise of their right to participate and vote at the General Meeting.

Article 10(6) to (9) of the By-laws permits the unrestricted exercise of the voting right by correspondence and, despite not being expressly provided for in the By-laws, votes may also be cast by telematic means, pursuant to the law and in accordance with the requirements established by the Chair of the Board of the General Meeting in the convening notice for the relevant General Meeting, in order to ensure authenticity and confidentiality.

This possibility has been included in all convening notices of Galp's General Meetings, including the convening notice for the 2023 Annual General Meeting, and has been a repeated practice since 2015.

As specified in the convening notice for the relevant General Meeting, shareholders may participate in the General Meeting by telematic means. Detailed instructions for participating are included in the applicable convening notice.

The possibility of participation by telematic means has also been available for all General Meetings held since 2018, including the 2023 Annual General Meeting, the latter being exclusively held by telematic means.

The holding of an Annual General Meeting using telematic means reinforces Galp's repeated practice of allowing shareholders to participate in General Meetings remotely, as well as to exercise voting rights also remotely, through electronic communications, mechanisms that were already available to shareholders in previous years.

Galp intends to continue to encourage shareholder participation in General Meetings, which, in the particular case of shareholders residing or headquartered outside Portugal, is particularly facilitated by the possibility of voting and participating remotely.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders in a relationship with that shareholder, as established in Article 20(1).

Not applicable. The By-laws make no provision for any limitation on the voting rights that may be exercised by a single shareholder or shareholders in any of the relationships set forth in Article 20(1) of the CVM.

14. Details of any shareholders' resolutions that, in accordance with the By-laws, may only be passed by a qualified majority, in addition to those provided for by law, and the details of any such majority.

Resolutions of the General Meeting are passed by a simple majority of the votes cast unless a qualified majority is required by law or under the By-laws.

In addition to those legally set out in the law, Article 12(4) of Galp's By-laws requires a two-thirds qualifying majority in the following cases:

a) first and second calls, for resolutions on matters relating to the management of the Company submitted to the General Meeting by the Board of Directors;

b) second call for the following matters:

(I) amendments to the By-laws, including capital increases and the restriction or suppression of any pre-emption rights of the shareholders;

(II) merger, demerger, transformation or winding-up of the Company.

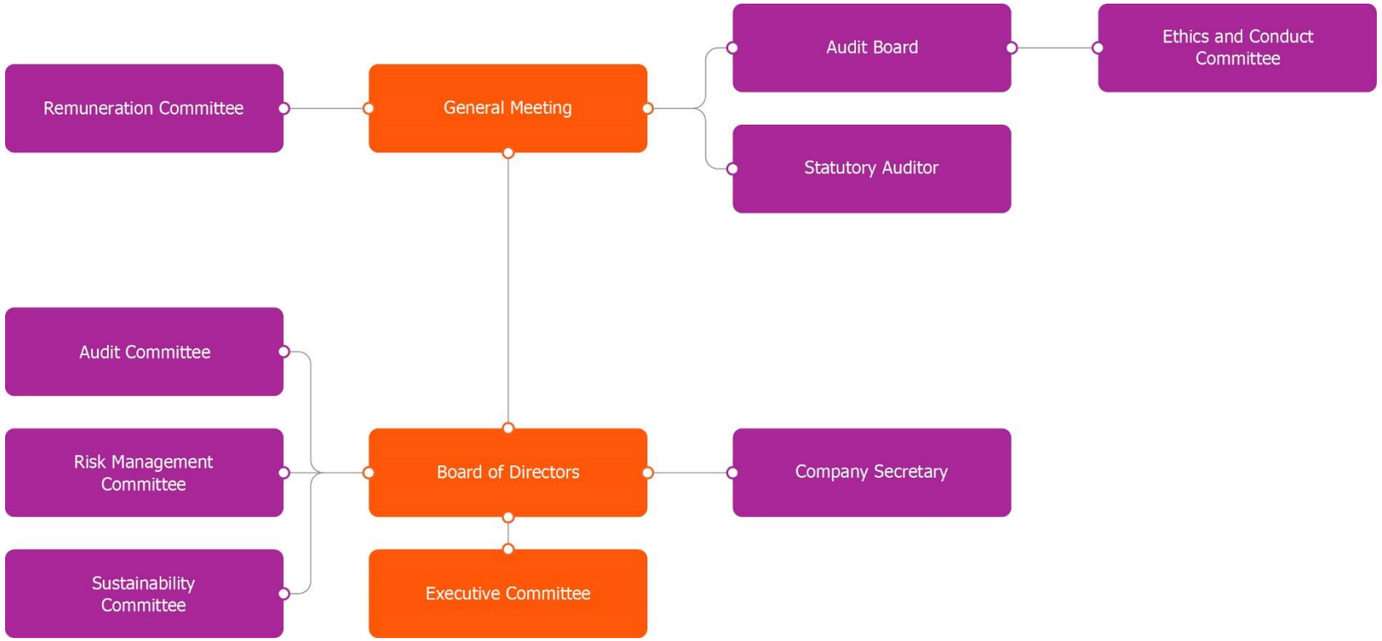
Although these provisions of the By-laws establish a deliberative quorum, which may, in certain situations, be higher than that provided for by law, they are not intended to hinder shareholder resolutions, nor are they intended to be an anti-takeover defence mechanism that harms the market for control (which in Galp is not limited). The purpose is to ensure adequate representation of shareholders, particularly minority shareholders, when approving resolutions on matters of strategic importance to the Company and on fundamental matters of Galp, which characterise its essence, and to avoid the classic agency problem. This mechanism was therefore created with the primary goal of protecting the Company itself, ensuring its stability, as well as the minority shareholders, in key matters for Galp. It should also be noted that the application of a deliberative quorum of two thirds in a second convening is only required for matters that are strategic and of utmost importance to the Company.

II. Management and supervision

(Board of Directors, Executive Board and General Council and Supervision)

a) Composition

15. Details of the adopted corporate governance model



Galp's corporate governance model comprises:

(i) a management structure composed of a Board of Directors from which an Executive Committee is selected;

(ii) a strengthened supervisory framework, which includes the Audit Board and the Statutory Auditor;

(iii) a Company Secretary with the duty of providing specialist support to the corporate bodies.

Corporate bodies comprising Galp's governance model with a reinforced supervision model are mandatory for companies issuer of shares admitted to trading on a regulated market which have adopted the single-tier model provided for in Articles 278(1)(a), 413(1)(b) and (2)(a) and 446-A(1) of the CSC.

Galp's governance model is designed to ensure transparency and the effectiveness of the Group by means of a separation of powers between the different corporate bodies. Whilst the Board of Directors is responsible for defining, overseeing, monitoring and supervising the strategic guidelines, as well as for management supervision and the relations between shareholders and other corporate bodies, the duties of the Executive Committee, as delegated by the Board of Directors, are operational in nature and involve the day-to-day management of the business and of the corporate centre.

The existence of matters which are the exclusive remit of the Board of Directors (i.e., not suitable for delegation to the Executive Committee) ensures that the Board of Directors establishes and monitors Galp's strategic guidelines.

The Board of Directors' Regulations establishes that its members, strictly for the performance of their duties and in compliance with the applicable legal limits, have access to any necessary information, particularly through access to documents or through information or clarification provided by the Company's employees, in order to assess the Company's performance, status and prospects for development, including, inter alia, the minutes, the auxiliary documents for decisions made, the convening notices and the files of Executive Committee meetings.

The Chair of the Board of Directors has, among other responsibilities set down in the applicable provisions of the law, regulations and the By-laws, the authority to coordinate and supervise relations between the Company and its shareholders, taking into account the Company's objectives, the long-term interests of its shareholders, and the sustainable development of Galp's business.

With a view to strengthening Galp's governance, particularly in terms of monitoring, evaluating and supervising the Company's activity by non-executive members, the Board of Directors, at its meeting of 30 June 2023, decided to delegate to the non-executive director Rui Paulo Gonçalves the special task of monitoring the Executive Committee's activity, as provided for in article 6(1) of the Board of Directors' Regulations.

The supervisory powers of the Board of Directors are bolstered by the existence of a Lead Independent Director and three specialised committees created within the Board of Directors – Audit Committee, Sustainability Committee and Risk Management Committee –, comprised exclusively by non-executive directors, which are described in paragraphs 27 and 29 of this report.

The Audit Board is responsible for exercising the oversight functions of the Company's business, namely in five key areas:

(i) supervision of the Company's activity;

(ii) control of the Company's financial information;

(iii) oversight of the internal risk management, internal control, compliance and internal auditing systems;

(iv) receipt (and processing) of reports of irregularities; and

(v) protection of the External Auditor's independence.

The Statutory Auditor is responsible for controlling the Company's financial information.

16. By-law rules relating to the procedural and material requirements for the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable (Article 29-H(1)(h)).

Election

The members of the Board of Directors, including the Chair, are appointed by the shareholders at the General Meeting, for a term of four calendar years, with the year of appointment counting as a full year, and may be re-elected one or more times.

Members of the Board of Directors take office at the time of appointment and remain in office until the appointment, co-option or designation of a substitute, except in case of resignation or removal, in which case the member in question remains in office for the periods stipulated in the CSC.

Members of the Board of Directors are elected from a list containing the names of the proposing shareholders. The vote applies only to the list as a whole and not to each of its members individually, as provided for by law and the By-laws.

The law and Galp's By-laws include a mechanism to entitle shareholders that do not support the winning list and who hold a minimum of 10% of voting rights, individually or together with others, to propose the appointment of one director.

Every year, shareholders also decide on whether directors should remain in office by making a positive appraisal of their performance through a vote of praise and/or confidence.

A negative annual appraisal, by way of a no-confidence vote, may lead to the dismissal of the director in question, in accordance with the terms of the law.

In view of the Portuguese legal framework, which attributes to the shareholders the exclusive power to elect the members of the Board of Directors and excludes the power of the Board of Directors in matters of shareholders competence, Galp has no nomination committee within the structure of the Board of Directors. In fact, such a committee could not replace the powers of the shareholders under Article 391 of the CSC.

However, the Company has approved the Diversity Policy and promoted exhaustive selection processes in order to identify, attract and select specific profiles for the position of member of the Board of Directors, a strategy tailored for value creation oriented for the different and relevant management positions, with the support of reputable international companies specialised in the selection of C-level executives.

Substitution

In the event of the permanent absence or impediment of any member of the Board of Directors, the latter must replace the relevant member and submit this replacement for ratification at the next General Meeting. To this end, the By-laws state that a director is deemed permanently absent if he or she misses three consecutive or five non-consecutive meetings.

17. Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, as applicable, with details of the minimum and maximum statutory number of members, the duration of the term of office, the number of sitting members, the date they were first appointed and the end date of each member's term of office.

Under the By-laws, the Board of Directors has a minimum of 19 and a maximum of 23 directors.

Currently, the Board of Directors consists of 19 members. The current members of the Board of Directors, elected for the four-year term 2023–2026, are listed in the following table. This information is always updated on Galp's website.

Name	Position	Date of first appointment	Term end date*	Age
Chair				
Paula Amorim	Non-executive Chair	24 April 2012	31 December 2026	53
Vice-Chairmen				
Adolfo Mesquita Nunes	Lead Independent Director (as of 3 May 2023)	12 April 2019	31 December 2026	46
Filipe Silva	Chief Executive Officer (CEO) (as of 1 January 2023)	26 July 2012	31 December 2026	59
Directors				
Georgios Papadimitriou	Executive director, Renewables, Innovation & New Businesses (as of 1 January 2022)	1 January 2022	31 December 2026	51
Maria João Carioca	Chief Financial Officer (CFO) (as of 3 May 2023)	3 May 2023	31 December 2026	52
Ronald Doesburg	Executive director, Industrial (as of 3 May 2023)	3 May 2023	31 December 2026	45
Rodrigo Vilanova	Executive director, Energy Management (as of 3 May 2023)	3 May 2023	31 December 2026	43
João Diogo Silva	Executive director, Commercial (as of 3 May 2023)	3 May 2023	31 December 2026	48
Marta Amorim	Non-executive director	14 October 2016	31 December 2026	51
Francisco Teixeira Rêgo	Non-executive director	16 April 2015	31 December 2026	51
Carlos Pinto	Non-executive director	12 April 2019	31 December 2026	45
Jorge Seabra	Non-executive director	23 November 2012	31 December 2026	63
Diogo Tavares	Non-executive director	22 February 2006	31 December 2026	78
Rui Paulo Gonçalves	Non-executive director	6 May 2008	31 December 2026	56
Cristina Fonseca	Independent non-executive director	12 April 2019	31 December 2026	36
Javier Cavada Camino	Independent non-executive director	17 December 2021	31 December 2026	48
Cláudia Almeida e Silva	Independent non-executive director	29 April 2022	31 December 2026	50
Fedra Ribeiro	Independent non-executive director	3 May 2023	31 December 2026	51
Ana Zambelli	Independent non-executive director	3 May 2023	31 December 2026	51

18. Distinction to be drawn between executive and non-executive directors and as regards non-executive members, the details of members that may be considered independent or, where applicable, the details of the independent members of the General and Supervisory Board.

The members of the Board of Directors are considered independent, in accordance with the Governance Code of the Portuguese Institute of Corporate Governance ("IPCG Corporate Governance Code"), if they are not associated with any specific interest group within the Company and there is nothing that could affect their impartiality in terms of analysis and decision-making, namely because:

a) They have exercised functions in any of the Company's corporate bodies for more than twelve years, continuously or interspersed;

b) They have been an employee of the Company or a company with which it has been in a controlling or group relationship in the past three years;

c) In the past three years, they have provided services to or established a significant business relationship with the Company or with a company with which it is in a controlling or a group relationship, either directly or as a partner, board member, manager or director of a legal person;

d) They are receiving remuneration paid by the Company or by a company with which it is in a controlling or group relationship, in addition to the remuneration received as a member of the Board of Directors;

e) They are cohabiting with or are married to, related to or next of kin to, up to and including direct third-degree relatives, a member of the Board of Directors or of someone who, directly or indirectly, holds individual qualifying holdings;

f) They are a qualifying shareholder or representative of a qualifying shareholder.

Currently, 13 of the 19 members of the Board of Directors are non-executive directors, which is equivalent to more than half (68.42%) of the total number of directors, which is an appropriate number, particularly given Galp's shareholder structure, the significative capital dispersion and size of the Company and the complexity of the risks involved in the Company's business activity.

The non-executive directors supervise and continually assess the management of the Company, ensuring its capacity for monitoring, supervising, overseeing and appraising the activities of the executive directors.

Board of Directors

Non-executive Directors


Paula Amorim


Adolfo Mesquita Nunes


Marta Amorim


Francisco Teixeira Rêgo


Carlos Pinto


Jorge Seabra


Diogo Tavares


Rui Paulo Gonçalves


Cristina Neves Fonseca


Javier Cavada Camino


Cláudia Almeida e Silva


Fedra Ribeiro


Ana Zambelli

Executive Directors


Filipe Silva


Maria João Carioca


Georgios Papadimitriou


Ronald Doesburg


Rodrigo Vilanova


João Diogo Silva

Given the criteria for determining the independence of the non-executive directors, provided for in IPCG Corporate Governance Code, the Board of Directors includes the following six independent non-executive directors, based on its self-assessment:

Independent non-executive directors

Adolfo Mesquita Nunes (Lead Independent Director)
Cristina Neves Fonseca
Javier Cavada Camino
Cláudia Almeida e Silva
Fedra Ribeiro (since may 2023)
Ana Zambelli (since may 2023)

In view of the Company's governance model, its shareholder structure and its free float, Galp believes that the proportion of independent directors among the non-executive directors (46,15%) is suitable and is higher than the proportion recommended in the IPCG Corporate Governance Code (1/3).

At the Board of Directors' meetings, and as provided for in its Regulations, the non-executive members promote and participate in establishing the Company's strategy, its major policies, its corporate structure and decisions that are deemed strategic due to their amount or risk, as well as in assessing whether these are followed.

The Board of Directors decided to assign to two non-executive directors – Carlos Pinto and Ana Zambelli – the special responsibility of monitoring the evolution of the markets in Angola and Brazil, respectively, to ensure a detailed strategic analysis of these two key markets for the Company. Also, the independent non-executive directors appointed Adolfo Mesquita Nunes as Lead Independent Director, for the purpose of, inter alia: (I) acting, whenever necessary, as an intermediary between the Chair of the Board of Directors and the remaining members; and (II) ensuring that they have all the necessary means and conditions for the performance of their duties.

It was also decided to assign to Javier Cavada Camino the special responsibility of following energy transition matters in Galp's context.

19. Professional qualifications and other relevant information about each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

As described in the chart below, the members of the Board of Directors have a range of skills, academic backgrounds and professional experience that are appropriate for the activities carried out by Galp and for the strategy established for the coming years.

This shows the diversity within the Board of Directors, which is in line with the Diversity Policy for the management and supervisory bodies approved by the Board of Directors on 15 December 2017, and which has an impact on the appointments made after this date, namely at the elective General Meeting of 3 May 2023. This policy is available on Galp's website at:
https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Diversity_policy_for_the_board_of_directors_and_audit_board_-_Versao_publicada_-_EN.pdf

The Diversity Policy for the management and supervisory bodies is committed to endeavouring, in accordance with the powers of each body, to foster diversity on the Board of Directors and Audit Board, particularly with regard to the following criteria: age, gender, geographical origin, educational training and professional experience.

Galp recognises the benefits of diversity on its management and supervisory bodies in order to ensure a more balanced composition, improve the performance of its members, enhance the quality of decision-making and control processes, avoid the group-thinking effect and contribute to the sustainable development of the Company, while requiring that each member has the individual characteristics necessary for holding the position in question.

Apart from the diversity of skills, the variety of academic backgrounds and professional experience, the Board of Directors is suitably diverse in terms of the origin, age and gender of its members. Currently, the Board of Directors includes members from six nationalities, including countries where Galp operates and members with management experience in the various energy sectors. The co-option of Javier Cavada Camino and Georgios Papadimitriou in 2021 and 2022, respectively, and the election of Ronald Doesburg in 2023 continued this geographic trend, being from Spain, Greece and The Netherlands, respectively. At the current date, the percentage of women on the Board of Directors is 36.84%, which is higher than the minimum percentage established by law. The Board of Directors' members range in age from 36 to 78.

In order to ensure adequate knowledge and monitoring by the non-executive directors of the activities carried on by the business units, periodic knowledge sessions have been in place since 2018.

In this context, in 2023, the Board of Directors participated in several workshops on projects developed by the business units, including but not exclusively in the field of renewable energy.

The biographies of each member of the Board of Directors in office and their positions in other companies have been included in the Appendices to this report. The figure below shows the matrix of competences of each member of the Board of Directors currently in office.

Skill matrix of the members of the Board of Directors



20. Customary and meaningful family, professional and business relationships of the members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that have a qualifying holding of more than 5% of the voting rights.

Relationships of the members of the Board of Directors with shareholders that have a qualifying holding of more 5% of the voting rights are as follows:

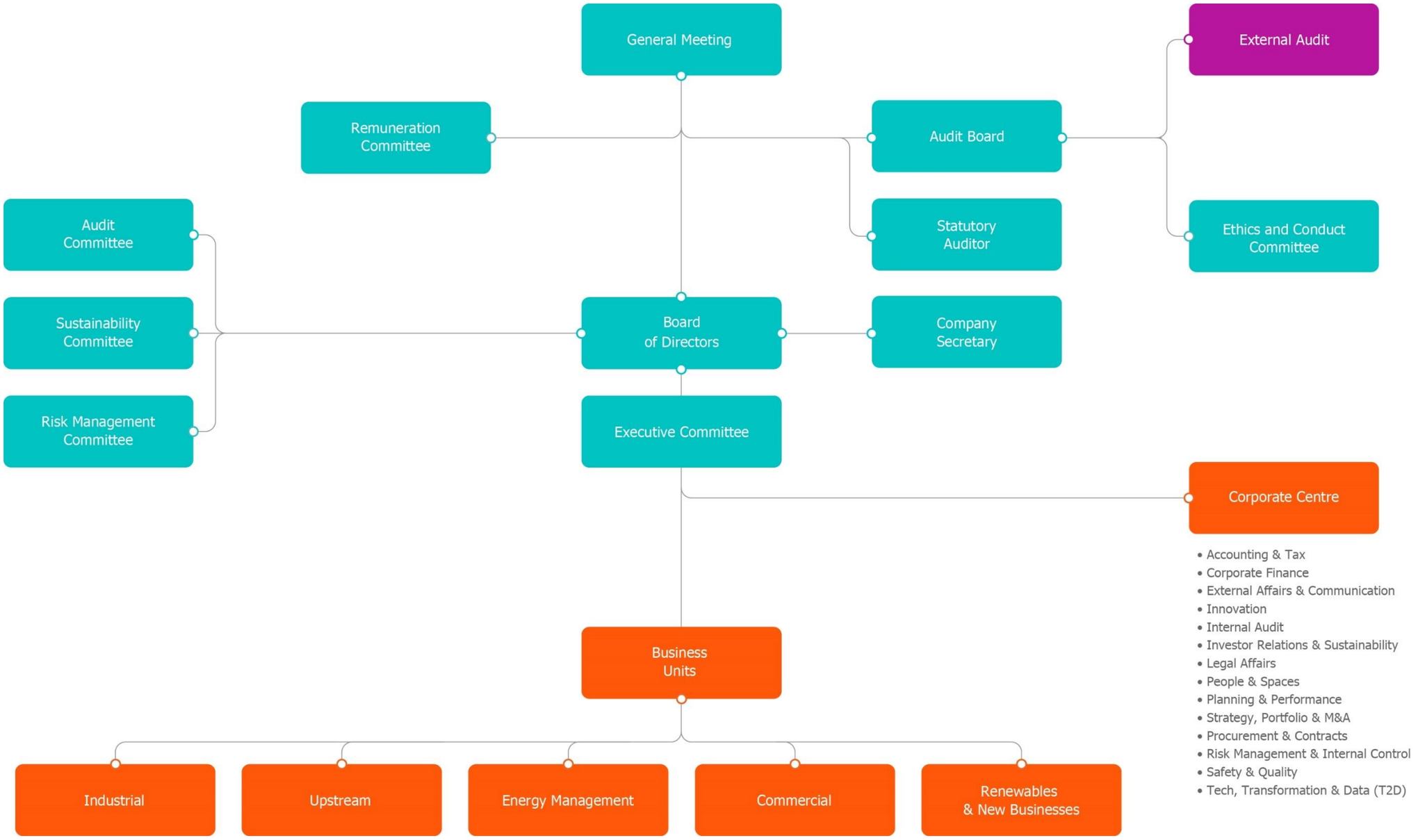
Director	Shareholder with qualifying holding	Relationship
Paula Amorim	Amorim Energia	Director
Marta Amorim	Amorim Energia	Director
Francisco Teixeira Rêgo	Amorim Energia	Director
Jorge Seabra	Amorim Energia	Director
Rui Paulo Gonçalves	Amorim Energia	Director

21. Organisational charts or flowcharts showing the allocation of powers between the Company's various corporate bodies, committees and/or departments, including information on delegated powers, particularly in relation to the day-to-day management of the Company.

Galp's current organisational structure is based on five business units and a corporate centre that is coordinated by each of the executive directors, as described in paragraph 29 of this report.

The corporate centre provides various services to the business units and the Group companies, including IT, planning and control, accounting, legal advice, governance and human resources.

The Company's organisational model also provides for the existence of several committees, which are described in paragraphs 27 and 29 of this report.


General Meeting
Remuneration Committee
Audit Board
External Audit
Audit Committee
Statutory Auditor
Ethics and Conduct Committee
Sustainability Committee
Board of Directors
Company Secretary
Risk Management Committee
Executive Committee
Corporate Centre
• Accounting & Tax
• Corporate Finance
• External Affairs & Communication
• Innovation
• Internal Audit
• Investor Relations & Sustainability
• Legal Affairs
• People & Spaces
• Planning & Performance
• Strategy, Portfolio & M&A
• Procurement & Contracts
• Risk Management & Internal Control
• Safety & Quality
• Tech, Transformation & Data (T2D)
Business Units
Industrial
Upstream
Energy Management
Commercial
Renewables & New Businesses

b) Functioning

22. Where to find the operating regulations of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The operating regulations of the Board of Directors were approved by the Board of Directors at its meeting held on 3 May 2023 and are applicable for the 2023-2026 term, pursuant to Article 16 of the By-laws. These regulations are available on Galp's website at https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Maio2023_alteracoes_eng/20230503%20BoD%20Regulations%20-%202023-2026_ENG.pdf

23. Number of meetings held and attendance record of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The Board of Directors ordinarily meets in accordance with the schedule of meetings approved at the end of the previous year, and whenever a meeting is convened by the Chair or by any two directors.

The By-laws allow for Board of Directors' meetings to be held by telematic means and postal voting is also allowed.

In 2023, the Board of Directors held nine meetings, none of which exclusively through telematic means (videoconference) and approved two resolutions through votes cast by electronic communications. Minutes were drawn up of all the meetings and resolutions.

The attendance levels of the members of the Board of Directors at the nine meetings held in 2023 (which considers the number of meetings that occurred during the period each of them was in office during 2023) were as follows:

Name	Present	Represented	Absent	Attendance[1]
Paula Amorim	9	0	0	100%
Miguel Athayde Marques[1]	3	0	0	100%
Adolfo Mesquita Nunes	8	1	0	88.89%
Filipe Silva	9	0	0	100%
Maria João Carioca[2]	6	0	0	100%
Georgios Papadimitriou	9	0	0	100%
Ronald Doesburg[2]	6	0	0	100%
Rodrigo Vilanova[2]	6	0	0	100%
João Diogo Silva[2]	6	0	0	100%
Thore E. Kristiansen[1]	3	0	0	100%
Teresa Abecasis[1]	3	0	0	100%
Marta Amorim	8	1	0	88.89%
Francisco Teixeira Rêgo	9	0	0	100%
Carlos Pinto	9	0	0	88.89%
Luís Todo Bom[1]	3	0	0	100%
Jorge Seabra	9	0	0	100%
Diogo Tavares	9	0	0	100%
Rui Paulo Gonçalves	9	0	0	100%
Edmar de Almeida[1]	3	0	0	100%
Cristina Fonseca	9	0	0	100%
Javier Cavada Camino	7	2	0	77.78%
Cláudia Almeida e Silva	6	0	0	100%
Fedra Ribeiro[2]	6	0	0	100%
Ana Zambelli[2]	5	0	1	83%

[1] Left the Board on May 3rd, 2023.
[2] Appointed for the first time on May 3rd, 2023.

24. Details of the corporate bodies charged with appraising the performance of the executive directors.

The Remuneration Committee, elected by the General Meeting in accordance with Article 8 of the By-laws, conducts an annual performance appraisal of the executive directors for setting the respective variable remuneration, which includes a quantitative aspect (on the basis of whether economic, financial and operating targets, as defined annually by the Remuneration Committee), as well as a qualitative aspect (consulting the non-executive directors about the qualitative performance of the executive directors).

Furthermore, the non-executive directors, as part of their oversight role, monitor the performance of the executive directors.

In addition, pursuant to Article 376(1)(c) of the CSC, the General Meeting conduct a general appraisal of the Company's management on an annual basis. This appraisal is expressed through a vote of confidence or no confidence, in each of the directors and may, in case of negative appraisal, lead to the removal of the director concerned.

In addition, the Board of Directors assesses its own performance (including the executive directors) and the performance of its committees on an annual basis, pursuant to Article 16 of the Board of Directors' Regulations. This assessment takes into account whether the Company's strategic plan and budget were followed, its risk management, its internal functioning and the contribution of each member to these objectives, as well as their relationships with the Company's other bodies and committees.

At its meeting held on 19 December 2023, the Board of Directors conducted this performance evaluation, in reference to the year 2023.

25. Pre-defined criteria for assessing the executive directors' performance.

The performance of the executive directors is assessed according to the fulfilment of certain economic, financial and operational objectives, including environmental sustainability and energy efficiency criteria, as set in the remuneration policy in force at each moment.

The pre-defined criteria for appraising the executive directors' performance in the 2023 financial year, under the terms approved by the Remuneration Committee and submitted to the approval of the General Meeting, are set out in paragraph 69 of this report.

26. Availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the details of any positions held at the same time in other companies within and outside Galp Group, as well as any other relevant activities undertaken by the members of these boards throughout the financial year.

The positions held by the members of the Board of Directors in other companies within and outside Galp Group and any other relevant activities pursued by the members of this body, in the 2023 financial year, are shown in the Appendices to this report.

In general, the members of the Board of Directors show great availability for their duties, as confirmed by their attendance at the meetings of the Board of Directors and the Executive Committee, and by their work at Galp, as verified each year by the Remuneration Committee as part of the qualitative appraisal of the directors' performance.

Compliance with these requirements is evidenced in the Appendices of this report, since the members of the Executive Committee only hold positions in the management bodies of Galp's direct or indirect subsidiaries.

With regard to the non-executive directors with the highest number of positions held in other companies outside Galp Group, these are in compliance with the limits indicated below and holding these positions within the same group – the Amorim or Américo Amorim Group – and do not affect their availability for their positions and for their duties of monitoring, assessing and supervising.

Limits on positions

Under the Board of Directors' Regulations:

(i) Members of the Executive Committee may not hold executive positions in issuers of shares listed on a regulated market that are not part of Galp Group; and

(ii) Non-executive directors may not hold management positions in more than four issuers of shares listed on a regulated market that are not part of Galp Group.

Absences

Under the By-laws and the Board of Directors' Regulations, a director is considered definitively absent when he/she has not attended any three consecutive or five non-consecutive meetings and the justification for these absences has not been accepted by the Board of Directors.

If any member of the Executive Committee fails to attend more than 20% of the Executive Committee's meetings, the CEO will inform the Board of Directors, conveying to the latter the reasons given for such absences.

The Board of Directors may then replace the Executive Committee member with another director, causing the former to become a non-executive director.

Conflicts of interest

Galp complies with the mechanisms provided for by law, by the By-laws and by regulations for preventing and dealing with any conflicts of interest between the directors and the Company due to the holding of other positions outside Galp Group.

Under Article 398 of the CSC, directors may not:

- engage in any activity in competition with the Company or with a company in a controlling or group relationship with it, on its own behalf or on behalf of a third party, or perform duties in a competing company, or be appointed to it, unless authorised by the General Meeting;
- hold any position under an employment contract entered into with the Company or with a company in a controlling or group relationship with it (the employment contract will be deemed to have been terminated if entered into less than one year before becoming a director or suspended if entered into more than one year earlier).

In accordance with the Board of Directors' Regulations, directors shall promptly inform this Board, specifically the chair, of any facts that may constitute or give rise to a conflict between their own interests and the corporate interests.

The Company has also approved internal regulations which are applicable, among others, to directors and establish that directors who have been identified as having a conflict of interest must refrain from discussing, voting, making decisions, giving opinions on, taking part in or exerting any influence on any decision-making processes directly related to the conflict of interest, without prejudice to providing any necessary information or clarification. These Regulations are available on Galp's website at https://www.galp.com/corp/Portals/0/Recursos/Governance2019/regulamentos/NT-R-023%20-%20Management%20of%20Conflicts%20of%20Interest.pdf

In addition, the Board of Directors' Regulations also (i) establish special mechanisms for access to sensitive information applicable to members of the Board of Directors that are in a conflict of interest due to carrying on an activity in competition with Galp authorised by the General Meeting and (ii) provide that its members shall immediately inform their chair of any facts that may constitute or give rise to a conflict between its interests and the Company's interests.

Moreover, in order to protect Galp Group's interests in possible conflicts of interest between the Company and its directors arising from any dealings between them and the Company or companies in a controlling or group relationship with it, the regulatory standard, approved by the Board of Directors with favourable prior opinion of the Audit Board, which governs the procedures to which the Group's related-party transactions are subject, as described in paragraphs 89 and 91 of this report.

In 2023, no authorisations were granted under applicable law to members of the Board of Directors to carry on business with the Company or companies controlled or in a group relationship with the Company.

c) Committees within the Board of Directors or Supervisory Board and Chief Executive Officers

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and where to find their operating regulations.

Executive Committee

At the Board of Directors' meeting on 3 May 2023, the Board appointed the Executive Committee which currently consists of the six directors identified in paragraph 28, and approved the delegation of powers and the Executive Committee's Regulations, which establish the principles and rules for the organisation and operation of the Executive Committee.

The composition of the Executive Committee is available on Galp's website, here.

The Executive Committee's Regulations are available here.

Sustainability Committee

On 30 June 2023, the Board of Directors established a Sustainability Committee composed of three non-executive directors, with the aim of ensuring the incorporation of sustainability principles into the management of the Group and fostering good industry practices in business and corporate areas.

At present, the Committee is chaired by the Director Cristina Neves Fonseca. It also counts with two other Directors – Fedra Ribeiro and Diogo Mendonça Tavares.

The Sustainability Committee's composition is available here.

The Sustainability Committee's Regulations are available here.

Audit Committee

The Audit Committee was set up at the meeting of 30 June 2023 of the Board of Directors with the aim of assisting the Board in overseeing and monitoring internal auditing activities within the Group.

It comprises three non-executive directors. It is currently chaired by the Chair of the Board of Directors, Paula Amorim. The other two positions are occupied by José Seabra de Freitas (Director) and Cláudia Almeida Silva (Director). The Auditor Committee's composition is available here.

The Auditor Committee's Internal Regulations are available here.

Risk Management Committee

The mission of the Risk Management Committee, set up by the Board of Directors on 30 June 2023, is to support and monitor the development and implementation of Galp's risk management strategy and policy and to provide assistance to the Board of Directors in this respect.

It comprises three non-executive directors of Galp. It is currently chaired by an independent non-executive director, Ana Zambelli. The other two positions are occupied by Rui Paulo Gonçalves (Director) and Carlos Pinto (Director). The Risk Management Committee composition is available here.

The Regulations of the Risk Management Committee are available here.

Other committees

The Company has also set up specialised committees to address (i) the remuneration and performance appraisal of the members of the corporate bodies and (ii) ethics and conduct matters.

In accordance with the Portuguese law, shareholders have exclusive powers to appoint the directors. In order to avoid any conflicts of interest or agency problems, the Board of Directors did not set up any committee to address the issues related with the appointment of its members or the members of the other corporate bodies (such as the members of the Audit Board), without prejudice to the approval of a diversity policy for the members of the management and supervisory bodies, which includes also personal profile requirements applicable to the proposed members.

Remuneration Committee

The Remuneration Committee is appointed by the Shareholders General Meeting, comprises three shareholders elected by the General Meeting, as identified in paragraph 67, and is responsible for setting the amount of remuneration owed to the members of Galp's corporate bodies and for conducting the annual performance appraisal of Galp's executive directors.

With regards to the Remuneration Committee's composition, please refer to paragraph 67 of this report.

The Committee's Regulations are available here.

Ethics and Conduct Committee

The Ethics and Conduct Committee is appointed by the Audit Board. It comprises three members of proven expertise in ethics and compliance, auditing and human resources. The Chair is proposed by the Chair of the Board of Directors.

The current members of this Committee are: Tito Arantes Fontes (Chair), Sandra Bomtempo Costa, Internal Auditing, and Nuno Moraes Bastos, Company Secretary and Compliance Head.

The Committee's composition is available here.

The Committee's Regulations are available here.

28. Composition of the Executive Committee and/or details of the Chief Executive Officer, where applicable.

Galp's Executive Committee currently comprises the following four directors:

CEO
Filipe Silva (CEO)
Members
Georgios Papadimitriou
Maria João Carioca (CFO)
Ronald Doesburg
Rodrigo Vilanova
João Diogo Silva

29. Description of the powers of each of the committees and a summary of the activities carried on in the exercise of these powers.

Executive Committee

Powers

The Executive Committee is the corporate body responsible for the day-to-day management of Galp in line with the strategic guidelines defined by the Board of Directors and under the powers delegated to it by the Board, pursuant to Articles 17 and 18 of the By-laws and Article 407(3) and (4) of the CSC.

The delegation of powers to the Executive Committee, approved by the Board of Directors at the meeting held on 3 May 2023 does not include the power to pass resolutions on the following matters:

a) Approval of the strategic investments of the Company and of Galp Group, and approval of the respective funding;

b) Approval of the strategic divestments of the Company and of Galp Group;

c) Participation, namely through the direct or indirect acquisition of shareholdings, in companies that do not pursue the main operating activities pursued by the companies dominated by the Company (i.e. exploration, production, refining, transport, marketing and distribution of oil and its derivatives, gas, electricity, renewable energies, hydrogen and battery value chains, and renewable/bio combustible fuels);

d) Establishment of strategic partnerships within the context of the core operational activities undertaken by Galp Group;

e) Approval and modification of the strategic plans of the Company and of Galp Group;

f) Approval of Galp Group's annual budget and business plans, and their change when exceeding by 20% the value of the relevant item of the budget or by 10% the total amount of the annual budget;

g) Carrying out transactions with related entities or with any of the Company's shareholders in excess of a single or aggregate amount of EUR 20,000,000 (twenty million euros);

h) Choose of the Chairman of the Executive Committee of the Company;

i) Co-opting directors;

j) Request to convene general shareholders meetings of the Company;

k) Approval of management reports and annual accounts of the Company;

l) Provision of collateral and personal or real guarantees by the Company;

m) Approval of the risk management policy and the internal control system;

n) Change of headquarters and capital increases of the Company, under the terms established in the Company's Bylaws;

o) Approval of merger, de-merger, winding-up and transformation projects of the Company and of the companies controlled by the Company;

p) Definition and material changes of the organisation of the corporate structure of the Galp Group;

q) Proposal and exercise of the voting right in the election of the boards of directors of the companies controlled by the Company;

r) Issue of bonds or other securities by the Company or by the Galp Group;

s) Signing of peer agreements or subordinated group agreements by any company controlled by the Company.

Without prejudice to the above-mentioned limits on the delegation of powers, the Executive Committee has a special duty of initiative and to make proposals to the Board of Directors in respect of the matters referred to above.

Specific areas of operation

At the meeting of the Board of Directors held on 3 May 2023, the CEO assigned to the Executive Committee members their functions regarding the business and activities of the Company and the Group companies, under the terms set out in its Regulations. The current allocation of functions is detailed below and is available on Galp's website at https://www.galp.com/corp/en/corporate-governance/governing-model-and-bodies/executive-committee.

CEO **Filipe Silva**	CFO **Maria João Carioca**	Executive director RINB **Georgios Papadimitriou**	Executive director Industrial **Ronald Doesburg**	Executive director Energy Management **Rodrigo Vilanova**	Executive director Commercial **João Diogo Silva**
- Upstream - Strategy & M&A - People and Spaces - Legal Affairs - External Affairs & Communication - Safety & Quality - Brazil Country Manager - Matosinhos Project	- Corporate Finance - Planning & Performance - Accounting & Tax - Investor Relations & Sustainability - Risk Management & Internal Controls - Tech, Data & Business Transformation - Procurement & Contracting - Internal Audit	- Business Office RINB - Renewables - New Business - Aurora JV - Innovation	- Business Office, Digital & HSE - Refining - Refinery Optimisation & Logistics - Project Office - H2, HVO & e-fuels	- Business Office EM - Trading Operations - Oil, Products & Biofuels - NG & LNG - Euro Power - Derivates & Environmental Products - Shipping & Portfolio Optimization - Supply & Trade Americas	- Business Office Commercial - Mobility - Enterprise - Residential - GMI - Oil & Low Carbon Products - New Power - Digital Operations - Customer Success & HSE - Brand, Marketing & Convenience - Daloop

Oversight and monitoring

A range of mechanisms has been adopted to ensure efficient and effective monitoring and control of the Executive Committee's activities by the non-executive directors and to facilitate the exercise of the right to information.

In fact, in accordance with the Board of Directors' Regulations, the CEO regularly informs the Chair of the Board of Directors about the agenda of the Executive Committee meetings, the resolutions passed at its meetings and any other matters deemed relevant for the proper use of the powers and responsibilities of the Board of Directors. The Chair of the Board of Directors and any two other non-executive directors may ask the CEO directly for information about the activity of the Executive Committee.

The convening notices and the minutes of the meetings of the Executive Committee are sent by the Company's Secretary to the Chair of the Board of Directors, to the non-executive director especially responsible to attend the Executive Committee's meetings and, when applicable, to the Chair of the Audit Board.

Meetings

In accordance with its Regulations, the Executive Committee usually meets once a week. In 2023, it met twenty eight times and approved two resolutions through votes cast by electronic communications. Minutes were drawn up of all the meetings. The attendance at the meetings in 2023 was 100%.

The main activities carried on by the Executive Committee in 2023 within the scope of its responsibilities included, among others:

a) approval of the operations to be carried out by Galp Group's business units and companies;

b) assessment of monthly results;

c) approval of proposals for submission to the Board of Directors on matters pertaining to its powers;

d) approval of significant transactions;

Sustainability Committee

The main responsibilities of the Sustainability Committee are:

a) Analyse the internal and external context of sustainability and regulation, in particular with regard to energy transition, social responsibility, human rights, safety and work environment, as support for the strategy and development of operations in different geographies;

b) Evaluate and monitor progress towards the ambitions, objectives and targets of the sustainability roadmap;

c) Assess and supervise the risks and opportunities related to climate and nature and other sustainability issues, with the support of the Risk Management Commission;

d) Monitor how ESG topics are considered in decision-making, including investment decisions;

e) Inform the Board of Directors of any situations or occurrences of which it is aware and which, in its opinion, constitute non-compliance with the required sustainability practices;

f) Evaluate the rules and general principles that the preparation and publication of information on sustainability must follow, and review and issue an opinion on the adequacy of the annual sustainability disclosure statement prior to its approval by the Board of Directors;

g) Issuing opinions and recommendations that it deems appropriate or that are requested by the Board of Directors in the context of sustainability, including on Galp's policies on matters included in the respective scope..

In 2023, the Sustainability Committee met formally seven times, and minutes of the formal meetings were drawn up regarding the following matters:

a) regular analysis of Galp's sustainability performance;

b) discussion of the sustainability perspective concerning 2024-2028 business plan;

c) review of Galp's sustainability roadmap for 2023-2025, including performance highlights across its foundation pillars;

d) in-depth session centred on emissions' fundamentals and analysis of Galp's progress toward decarbonisation targets;

e) analysis of the evolution of our climate related metrics and challenges related with benchmarking;

f) monitoring trends related to climate matters and examination of key events and outcomes (e.g., COP28);

g) assessment of climate and other sustainability regulatory developments (e.g., EU CSRD, EU Taxonomy, EU CSDDD, EU Green Claims draft directive, etc.) and their impact on Galp's internal processes and external disclosures;

h) evaluation of international sustainability frameworks (e.g., TNFD, SBTN, ISSB, etc.);

i) discussion on the evolution of biodiversity internal guidelines;

j) discussion on Galp's readiness plans for regulatory and international sustainability frameworks evolution;

k) discussion on climate related and ESG indicators comparison within the industry;

l) evaluation of external ESG assessments and ratings;

m) overview of external ESG focused engagements.

At its meeting of 19 December 2023, the Board of Directors was informed of the work done by the Sustainability Committee during 2023.

Audit Committee

The activity of Galp's Audit Committee covers all the organisational units of Galp Group and companies whose management is controlled by Galp in all the geographical areas where the Group operates. It has the following remit:

a) Monitor the internal audit activities;

b) To evaluate the operation of the Galp Group's internal audit system;

c) Supervise the annual plan of internal audit activity and the periodic report of the activity carried out, herein including the evaluation of the results and conclusions reached in the context of internal audit activities;

d) Approve, after the Audit Board's prior opinion, the internal audit organic standard and the manuals of fundamental procedures of the internal audit system, as well as the annual plans of internal audit activities;

e) Evaluate, after the Audit Board's prior opinion, the adequacy of the financial and human resources allocated to the internal audit system;

f) Appointing and dismissing the person in charge of the internal audit;

g) Approve, after the Audit Board's prior opinion, the performance evaluation, remuneration and promotion of the head of internal audit;

h) Issuing the opinions and recommendations that it deems appropriate or that are requested by the Board of Directors within the scope of the internal audit;

i) Periodically analyse relevant topics submitted to the Commission by the compliance and data protection areas.

The Audit Committee held four meetings in 2023 and detailed minutes of all the meetings were prepared. The Audit Committee supervised the execution of the annual internal audit activity plan, as well as the periodic reporting of the activity carried out by the Internal Audit Department, including the implementation of internal audit recommendations.

At the Board of Directors' meeting of 19 December 2023, the activity of the Audit Committee during 2023 was reported to the Board of Directors.

Risk Management Committee

The Risk Management Committee's purpose is to advise the Board of Directors on the oversight and monitoring of risk management activities at Galp Group, its main responsibilities being:

a) to monitor compliance with Galp's Risk Management Policy;

b) to monitor Galp's key risks, its level of effective exposure to risk and its potential evolution;

c) to monitor the effectiveness of Galp's key risk mitigation plans;

d) to evaluate the operation of Galp Group's internal control system and risk management;

e) monitor the execution of the annual plan of risk management activities;

f) to issue appropriate opinions and recommendations.

During the year 2023, the Risk Management Committee (RMC) held four regular meetings, addressing the most relevant topics from the Group's risk perspective, including:

a) *BP 2024-2028 and Risk Appetite Statement* – the RMC analysed the BP 2024-2028 risk assessment based on the results of the multivariable test, back-testing and reverse stress testing analyses. It also assessed the impacts on the balance sheet and financial covenants of Galp's financing/debt.

b) *Namibia operation risk analysis* – discussed in depth Namibia's exploration operation, the levels of impact and risk probability, the main risk indicators and mitigation measures, and its evolution was monitored throughout the year. The RMC issued the recommendations deemed appropriate to mitigate the operation's risk.

c) *Main Investments projects* – the RMC monitored the main business units' investment projects through the analysis carried out by the Enterprise Risk Management team on several projects, namely 100MW H2 Green; HVO, Sines Refinery – scheduled shutdown; Former Matosinhos Refinery – decommissioning, dismantling, decontamination and reconversion; and an analysis on the impacts of extreme climate risks on Renewables. The RMC issued the recommendations deemed appropriate to mitigate the project's risks.

d) *Country risk* – the RMC appraised and discussed the deep-dive analyses on some of the geographies where Galp operates, assessing the respective macroeconomic and socio-political contexts, in addition to Galp' operational and business aspects.

e) *Operational risk* – discussed the conclusions of the what-if analyses of various critical assets/infrastructures of Galp, in terms of the main concerns raised by the operation of those infrastructures, impacts resulting from any disruption and mitigation measures identified and monitored their implementation. The RMC issued the recommendations deemed appropriate to mitigate this risk.

f) *Hedging strategy* – the RMC monitored the Brent and refining margin hedging strategy approved by the Executive Committee and analysed the evolution of the Market to Market associated with the financial instruments used.

g) *Cyber Resilience Roadmap* – RMC continued to pay special attention to Cybersecurity risk, including the development of critical initiatives, assessed and endorsed the new Cybersecurity roadmap, especially focusing on the Cyber OT roadmap for the period 2023-2024. The RMC also discussed the impact of several internal and external cybersecurity incidents.

h) *Internal Control System for Financial Reporting ("SCIRF")* – the developments of the SCIRF project was monitored, namely in terms of main indicators of execution, concerns raised in its implementation, the results of the internal audit carried out on the ICFR project and of the self-assessment exercise.

i) *Galp Risk Matrix* – the RMC monitored the evolution of Galp's top risks throughout the year, and its positioning in the risk matrix, through the Quarter Report developed by the Enterprise Risk Management team.

j) *Policy Review* – the RMC assessed the proposals to review the Risk Management, Business Continuity and Cybersecurity Policy.

Ethics and Conduct Committee

The Ethics and Conduct Committee is the independent and impartial internal forum, defined in its regulations as being responsible for:

a) Monitor the implementation of the Code of Ethics and of the internal rules that expressly refer to and develop it;

b) Accompany and clarify doubts as to the implementation of the Code of Ethics and, in exceptional and duly justified cases, validate exceptions regarding its application;

c) Receive and process information provided under the Irregularities Reporting Procedure in force at Galp and its Subsidiaries related with alleged irregularities or infringement of the stipulations of the Code of Ethics or of those rules that develop it or deal with the topics listed therein;

d) Foster the training of the personnel in matters of ethics and conduct;

e) Promote other initiatives on matters of ethics and conduct that contribute to raising awareness among employees.

The Audit Board is the governing body responsible for overseeing the proper operation and application of the Code of Ethics and Conduct

through the frequent and regular reporting of the Ethics and Conduct Committee.

In 2023, the Ethics and Conduct Committee held seven meetings and detailed minutes of the meetings have been prepared. These meetings dealt in particular with:

- Follow up of the ethics annual plan, which has as main objective to reinforce i) the importance of compliance and respect for Galp's Code of Ethics and Conduct, ii) the existence and functions of the Ethics and Conduct Committee and iii) the communication on the existence of an Ethics helpline available to seek advice or report any breaches of the Code of Ethics and Conduct;

- Follow up on alleged breaches of the Code of Ethics and Conduct reported to the Ethics and Conducts Committee.

In 2023, the Ethics and Conduct Committee received 54 reports that were duly investigated in accordance with the Internal Standard for Reporting Irregularities. Of the reports received, 21 were related to moral harassment in the workplace, 5 to potential conflicts of interest, 3 to consumer protection and 3 to discrimination. Of the 54 cases reported, 22 were closed due to lack of evidence of the facts described, 6 required the adoption of measures by the Company in order to adapt conduct to the standards established in the Code of Ethics and Conduct, 11 are ongoing and 15 are out-of-scope complaints that have no defined mitigation measures.

In 2023, the Ethics and Conduct Committee took part in four meetings of the Audit Board, providing it with a full report.

Each semester, the Ethics and Conduct Committee sends a report to the Audit Board on the communications received, the procedures adopted and the proposed actions or measures, as well as an assessment of the implementation and performance of the Code of Ethics and Conduct.

Remuneration Committee

The Remuneration Committee has powers to determine the amount of remuneration paid to members of Galp's corporate bodies and to carry out an annual performance assessment of the members of Galp's Board of Directors, in accordance with the mandate granted by the General Meeting.

For further details on the Remuneration Committee, please refer to paragraphs 24, 25 and 66 to 68 of this report.

III. Monitoring

(Audit Board, Audit Committee or General and Supervisory Board)

a) Composition

30. Details of the adopted supervisory body model.

In line with the adopted governance model, the Audit Board is the corporate body in charge of supervising the management of the Company.

Galp's supervision, as an issuer of shares admitted to trading on a regulated market, as regards the certification of the Company's accounts, also includes a Statutory Auditor with the functions provided for in Article 446 of the CSC, and who cannot be a member of the Audit Board, under the terms of Article 413, no. 1, paragraph b) of the CSC.

31. Composition of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, stating the minimum and the maximum number of members, the term of office, the number of sitting members, the date of the first appointment and the end date of each member's term of office. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 17.

The Audit Board consists of three permanent members and one alternate member elected for a four-year term by the General Meeting, which also elects its Chair, together with the members of the remaining corporate bodies.

The following table lists the members of the Audit Board who were elected at the General Meeting on 3 May 2023 for the 2023–2026 term. This information is available on Galp's website.

Name	Position	Date of first appointment	Term end date
José Pereira Alves	Chair	12 April 2019	31 December 2026
Maria de Fátima Geada	Member	12 April 2019	31 December 2026
Pedro Antunes de Almeida	Member	23 November 2012	31 December 2026
Jorge Costa	Alternate	3 May 2023	31 December 2026

Given the Company's governance model and the support provided by several corporate departments to the Audit Board, in particular, the Risk Management and Internal Control and the Internal Audit Departments, which permanently ensure the identification, management, monitoring and mitigation of the risks to which Galp is subject, and taking into account these risks, Galp considers that the number of members of its Audit Board, which is the standard number adopted by most comparable Portuguese companies, is appropriate for the size and complexity of the Company and sufficient for it to perform its duties efficiently. In addition, the Audit Board may hire the services of experts to assist it.

32. Details of the members of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, who are considered to be independent, pursuant to Article 414(5) of the CSC. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 18.

Under Article 414(5) of the CSC, members of the Audit Board are considered independent if they are not associated with any specific interest group in the Company and are not in any situation that might affect their unbiased analysis or decision-making owing to:

a) being the holder or acting on behalf of a holder of qualifying shareholdings greater than or equal to 2% of the Company's share capital;

b) having been re-elected for more than two terms, consecutive or otherwise.

Two of the three current effective members of the Audit Board are independent under the mentioned criteria.

33. Professional qualifications of each of the members of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, and any other relevant work information, reference may be made to the paragraph of the report where this information is already included, by virtue of paragraph 21.

The members of the Audit Board have the appropriate professional skills and qualifications for their positions.

Each member's professional profile is presented in the Appendices to this report.

b) Functioning

34. Where to find the operating regulations of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 22.

The operating rules and powers of the Audit Board are defined in its Regulations, which were approved on 5 May 2023 are available on Galp's website at https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Conselho%20Fiscal/Regulamento%20Conselho%20Fiscal_EN_20230511.pdf

35. Number of meetings that have been held and attendance report for each member of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 23.

Under Article 10(2) of its Regulations, the Audit Board meets at least once every quarter and whenever the Chair convenes it, at his own initiative or at the request of the Chair of the Board of Directors, the CEO or the Statutory Auditor.

In 2023, the Audit Board held fifteen meetings and approved one resolution through vote cast by electronic communications. The attendance of the members of the Audit Board at the meetings held in 2023 was 100%. Minutes were drawn up of all the meetings and resolutions.

36. Availability of each member of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, indicating any positions held simultaneously at other companies within and outside Galp Group and any other relevant activities carried on by the members of these bodies throughout the financial year, reference may be made to the paragraph of the report where this information is already included, by virtue of paragraph 26.

The members of the Audit Board have a high level of availability for the performance of their duties.

Appendices to this report shows the positions held by the members of the Audit Board at other companies in 2023.

c) Powers and duties

37. Description of the procedures and criteria applicable to the supervisory body for the purpose of hiring additional services from the External Auditor.

In accordance with the legal framework for audit supervision approved by Law No. 148/2015, of 9 September, which transposed Directive 2014/56/EU of the European Parliament and of the Council, of 16 April 2014, the procurement of additional services by Galp or by companies in a controlling or group relationship with Galp from the External Auditor or from any entity in which the latter has a stake or which is part of the same network, requires the prior authorisation of the Audit Board, in accordance with the internal procedures approved by the Audit Board and set down in an internal standard.

This internal standard also establishes the non-audit services that cannot be provided by the External Auditor (prohibited services).

The Audit Board analyses the External Auditor and Statutory Auditor's compliance with independence requirements, the possibility of any services being provided by the External Auditor and Statutory Auditor

and their compliance with the legal cap on fees, under the criteria, the selection process, the communication methodology and the inspection procedures in place to ensure the independence of the External Auditor and the Statutory Auditor.

The additional services provided by the External Auditor and Statutory Auditor in 2023 are described in paragraphs 46 and 47 of this report.

38. Other duties of the supervisory bodies and, where applicable, the Financial Affairs Committee.

Under the relevant legal framework, the By-laws and the Audit Board Regulations, this corporate body is responsible for monitoring the Company's activities and supervising the respective management, namely the processes of preparing and disclosing financial information. It has the power to present recommendations or proposals to ensure integrity and compliance with the law and the Company's By-laws.

In terms of specific monitoring competences and powers, the Audit Board:

(i) monitors the operation of the corporate governance system adopted by Galp and its compliance with the law and its By-laws, as well as any legislative and regulatory developments in the area of corporate governance, particularly recommendations and regulations;

(ii) receives notices of irregularities through the Ethics and Conduct Committee;

(iii) monitors, assesses and gives its view, within the powers conferred on the Audit Board, on the strategic lines and risk policy prior to their final approval by the Board of Directors;

(iv) issues an opinion on the work plans and resources allocated to internal control services, including risk management, compliance and audit.

Regarding the Audit Board's powers to oversee the audit of the Company's accounts, it is noted that under the terms of Article 8 of the Audit Board's Regulations, the Audit Board shall, specifically, verify the accuracy of the accounts and the accounting principles and valuation criteria adopted by the Company for the correct determination of its assets and results. In addition to other powers provided for by law and its Regulations, the Audit Board also issues an opinion on the annual report and the accounts.

Specifically, during 2023, the Audit Board monitored the functioning of the corporate governance system and its compliance with legal rules, regulations and By-laws, as well as legislative and regulatory developments in the area of corporate governance, having been present at all Board of Directors meetings in 2023.

Regarding risk management, the Audit Board is responsible for verifying the effectiveness of the risk management, internal control and internal audit systems, including all aspects related to the process of preparing and disclosing financial information and proposing any necessary amendments. Additionally, the Audit Board is also responsible for supervising the adoption by the Company of the principles and policies for identifying the main financial and operational risks involved in the Company's activity, in addition to the duties of supervising the actions aimed at controlling, monitoring and disclosing these risks.

In accordance with Audit Board's Regulations, the assessment and opinion on Galp's strategic guidelines and risk management policy is carried out by the Audit Board before its final approval by the Board of Directors. In 2023, the assessment by the Audit Board was held positively at the meeting held on 15 December, prior to the Board of Directors' meeting approving the statement of risk appetite, objectives and risk levels underlying the Budget and Plan 2024-2028/34 held on 19 December 2023.

In addition to other powers conferred by the law and the Regulations of the Audit Board, in its relations with other corporate bodies, the Audit Board has the power to:

(i) select and propose the Statutory Auditor to the General Meeting and propose his/her remuneration;

(ii) verify and monitor the Statutory Auditor's independence and verify the appropriateness and approval of any non-audit services;

(iii) hold regular meetings with the Statutory Auditor/External Auditor and appraise its work each year. It is the main intermediary with the Statutory Auditor/External Auditor and is the body which receives its reports;

(iv) propose the dismissal or termination of the service agreement with the Statutory Auditor to the General Meeting whenever there is just cause.

Under the Audit Board's Regulations, it is also responsible for ensuring that suitable conditions are established within the Company for the provision of the Statutory Auditor's services.

Each year, the Audit Board prepares a report on its supervisory activities.

The members of the Audit Board have access to the information that is strictly necessary for the performance of their duties and, in compliance with the applicable legal limits, particularly through access to documents or the provision of information or clarification from employees of the Company, for appraising the performance, status and prospects of the Company and its development – including, in particular, the minutes, the supporting documents for decisions that have been made, the convening notices and the archives of the meetings of the Executive Committee and Board of Directors. It may also have access to any other documents or persons from whom clarification may be requested.

It can also engage experts who can assist its members in their assigned roles.

Under the Audit Board's Regulations, its members shall promptly inform its Chair of any facts that may constitute or give rise to a conflict between their own interests and the Company's interests.

In addition, on 26 October 2018, the Company approved internal regulations applicable to the members of the Audit Board, among others, which establish that any members in a conflict of interest must refrain from discussing, voting, making decisions, giving opinions, taking part in or exerting any influence over any decision-making process directly related to the conflict of interest, except to provide any necessary information or clarification.

IV. Statutory Auditor

39. Details of the Statutory Auditor and the Partner who represents it.

The General Meeting of 3 May 2023, at the recommendation of the Audit Board, approved the appointment, for the four-year term 2023-2026, of:

Ernst & Young Audit & Associados, SROC, S.A., registered with the *Ordem dos Revisores Oficiais de Contas* ("OROC") under No. 178 and registered with the CMVM under No. 20161480, represented by Rui Abel Serra Martins, registered with the OROC under No. 1119, for the position of Statutory Auditor, and Luís Pedro Magalhães Varela Mendes, registered with the OROC under No. 1841, for the position of Alternate Statutory Auditor.

40. Indication of the number of years that the Statutory Auditor has consecutively carried out duties with the Company.

Galp's Statutory Auditor has held the position since 12 April 2019, consequently, for about 5 consecutive years.

41. Description of other services provided to the Company by the Statutory Auditor.

The other services provided to the Company by the Statutory Auditor are described in paragraphs 46 and 47 of this report.

V. External Auditor

42. Details of the External Auditor appointed under Article 8 and of the Partner who represents the External Auditor in carrying out these duties and their CMVM registration numbers.

On 31 December 2023, Galp Group's External Auditor was Ernst & Young Audit & Associados, SROC, S.A., registered at the CMVM under No. 20161480, represented by the firm's partner Rui Abel Serra Martins, registered with the OROC under No. 1119.

43. Number of consecutive years that the External Auditor and the Partner who represents the firm has carried out these duties at the Company and/or at the Group.

The current External Auditor and the partner who represents the firm began their work at Galp on 1 January 2019, consequently, for about 5 consecutive years.

44. Rotation policy and intervals for the External Auditor and the Partner who represents the firm in carrying out such duties.

The External Auditor rotation policy provides for the selection of the External Auditor and the partner of the Statutory Auditing Firm in question by the Audit Board at the limit up to the maximum period provided for by law through a prior consultation process with the main internationally renowned auditing firms.

As established in the Audit Board's Regulations, Galp's Statutory Auditor should be selected on the basis of a commercial assessment (overall price of the proposals) and technical appraisal based on the following criteria:

a) knowledge of Galp Group's businesses;

b) experience as an auditor/statutory auditor in companies listed in national and international markets;

c) methodological approach to the audit process of the accounts applicable to Galp;

d) job planning/assignment of personnel/communication with Galp (Audit Board, Accounting and Internal Audit);

e) curriculum vitae of those in charge and of the audit team assigned directly to the work (experience in Galp Group's business).

The current External Auditor was selected and approved by the Audit Board after a tender process held in accordance with the statutory rules and internal procedures.

45. Details of the body responsible for appraising the External Auditor and the frequency of such appraisals.

The Audit Board, which is the primary contact point of the External Auditor with the Company and the first recipient of information prepared by the External Auditor, appraises the activity, suitability and independence of the External Auditor each year, conducting a critical appraisal of its reports and any other relevant documentation and information produced by the External Auditor.

Each year in its annual activity report, the Audit Board presents its appraisal of the External Auditor.

The specific role of the Statutory Auditor in the legal audit and examination of accounts includes checking that the remuneration which has been paid to the members of the corporate bodies is in line with the remuneration policy and the Remuneration Committee's resolutions on such matters.

With regard to internal control mechanisms, the Statutory Auditor/External Auditor checks its operations and efficiency on an annual basis and reports any shortcomings and any suggested improvements for internal procedures both to the Audit Board.

46. Details of non-auditing services carried out by the External Auditor for the Company and/or companies in a control relationship with it, together with a statement regarding the internal procedures for approving the engagement of such services and a statement on the reasons for the engagement.

In 2023, the External Auditor and the entities belonging to the same network provided the Company and the companies with which it has a control relationship the following non-audit services:

- Limited review of the interim financial statements of a subsidiary required under a concession contract;
- Limited review of the interim consolidated financial statements of Galp Energia SGPS, S.A.;
- Reasonable assurance on the physical quantities, underground occupancy rates and annual financial statements of the Group's natural gas companies for regulatory purposes;
- Reasonable assurance on the financial ratios;
- Verification of the conformity of the financial information reported in the so- called "Country-by-Country Report" with the audited financial statements;
- Reasonable assurance on the manpower rate applicable to the provision of services;
- Agreed-upon procedures on the recharge costs under a secondment agreement;
- Agreed-upon procedures on financial information for the purpose of a tender;
- Reasonable assurance on the replacement cost results;
- Services related to Internal Control System on Financial Reporting;
- Agreed-upon procedures on the reports of natural gas acquisition costs as required by the Energy Services Regulatory Authority (ERSE);
- Reasonable assurance on the annual report of natural gas acquisition costs and other costs, as required by the Energy Services Regulatory Authority (ERSE);
- Agreed-upon procedures on the "annual statement package", as required by ECOEMBES;
- Agreed-upon procedures on the "annual statement package", as required by SICBIOS-MITERD;
- Agreed-upon procedures on the "annual statement package", as required by DGPEM;
- Agreed-upon procedures on the "oil products annual statement package" and "LPG annual statement package", as required by CORES.

When engaging services from the External Auditor and Statutory Auditor, sufficient internal procedures are followed to safeguard the independence of the External Auditor and the Statutory Auditor stablished in internal standard, which defines, in accordance with the applicable law, the non-audit services that cannot be provided by the Auditor/Statutory Auditor.

The service proposals submitted by the External Auditor and Statutory Auditor are analysed and assessed and, where possible, compared by means of market consultation processes. These are subsequently sent to the Audit Board for approval, as described in Section 37 of this report.

47. Details of the annual remuneration paid by the Company and/or legal persons in control or group relationship with the Auditor and other natural or legal persons belonging to the same network, together with a percentage breakdown of the following services (for the purposes of this information, the concept of network is that of European Commission Recommendation No. C (2002) 1873, of 16 May 2002).

In 2023, the remuneration to the External Auditor and to other natural or legal persons belonging to the same network was as shown in the next table:

By the Company		
Account review services	€ 374,100	18.4%
Reliability guarantee services	€ 284,300	14.0%
Tax advisory services	€ 0	0%
Non-account review services	€ 0	0%
By other Group's companies		
Account review services	€ 1,246,588	61.4%
Reliability guarantee services*	€ 125,800	6.2%
Tax advisory services	€ 0	0%
Non-account review services	€ 0	0%

In 2023 the non-audit services represented 43% of the average fees to the External Auditor in 2022, 2021 and 2020 for the financial audit services provided to Galp and entities under Galp's control in the same period, below the 70% limit established by Article 4(2) of EU Regulation No. 537/2014 (European Audit Regulation).

C. Internal organisation

I. By-laws

48. Rules governing the amendment of the By-laws (Article 29-H(1)(h)).

Resolutions of the General Meeting on any amendments to the By-laws must be approved by a qualified majority of two-thirds of the votes cast (Article 12(4)(b) of the By-laws and Article 386(3) and (4) of the CSC).

II. Communication of irregularities

49. Means and policies for communicating irregularities occurring within the Company.

Galp has several mechanisms for detecting and preventing irregularities, which are regulated by, inter alia, its Internal Control Manual, as well as by its Code of Ethics and Conduct, revised in 2023, Anti-corruption Policy and related regulations, Policies on the Prevention of Money Laundering and Terrorist Financing and Prevention of and Reaction to Harassment, and the internal procedure for verifying the integrity of third parties, all published on Galp's website at https://www.galp.com/corp/en/corporate-governance/documentation

Galp has a helpline available to report irregularities ("Open talk"), namely breaches to the Code of Ethics and Conduct and non-compliance with these or other standards. This helpline is managed by the Ethics and Conduct Committee, is confidential and can be anonymous.

The standard Whistleblowing – Ethics Line enables any interested party related to Galp – including employees, members of the corporate bodies, shareholders, investors, customers, suppliers or business partners – to report to the Audit Board, through communication addressed to the Ethics and Conduct Committee, any knowledge or reasonable suspicion of irregularities, including, specifically within the scope of the above-mentioned mechanisms, breaches of the Code of Ethics and Conduct or of any standards that refer to it or which address the topics referred to therein.

The security of information received about irregularities and related records is ensured by Galp's internal rules, in accordance with the relevant legislation on data protection and information security.

Personal data under the standard Whistleblowing – Ethics Line are processed only in accordance with Article 19 of Law no. 93/2021 of 20 December, the General Data Protection Regulations, Law no. 58/2019 of 8 August and guidelines issued by the Data Protection Authority – Comissão Nacional de Proteção de Dados.

For confidentiality purposes, access to these reporting procedures is only granted to the Audit Board, the Ethics and Conduct Committee members and, on a strictly need-to-know basis, the Executive Committee members and the employees or external consultants specifically appointed to support the work of the Ethics and Conduct Committee.

The procedures and policies mentioned above apply to Galp and to all the companies in which Galp directly or indirectly has management control, in all the geographic regions where Galp Group operates.

Irregularities must be reported to the Ethics and Conduct Committee following the means available, as published on Galp's website at https://www.galp.com/corp/en/corporate-governance/ethics-and-conduct/opentalk.

III. Internal control and risk management

50. Individuals, boards or committees responsible for internal auditing and/or the implementation of internal control systems.

Galp's internal control system is based on the guidelines set out by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and it has adopted the five components of this model:

1. Control environment;
2. Risk assessment;
3. Control activities;
4. Information and communication;
5. Monitoring activities.

The Internal Control Manual establishes the general principles and requirements of the internal control components, as well as the organisational model in place that shows the integrated and transversal management of internal control within the Galp Group. This is defined as the set of processes carried out by the govering bodies, specialised committees, internal auditor and Galp's employees, aiming to providing reasonable assurance of achieving Galp's objectives in terms of operations, reporting and compliance.

The Internal Audit Department regularly informs and alerts the Audit Committee and the Audit Board, at its regular meetings, about all relevant facts, identifying internal control improvement opportunities and promoting their implementation.

The Internal Audit Department reports hierarchically to the Audit Committee, functionally to the Audit Board and administratively to the Executive Committee, following the reporting lines recommended by the Institute of Internal Auditors (IIA). The Internal Audit Department defines an annual Audit Plan in order to assess Galp's risk management and internal control systems. The annual Audit Plan is validated by the Audit Committee and approved by the Audit Board,

which monitors its execution. The Audit Plan for 2024 was approved on December 12th, 2023.

The Internal Audit Department is compliant with IIA international standards and is periodically subject to external compliance assessments. Additionally, in accordance with the IIA guidelines, an annual quality review and continuous improvement programme are performed.

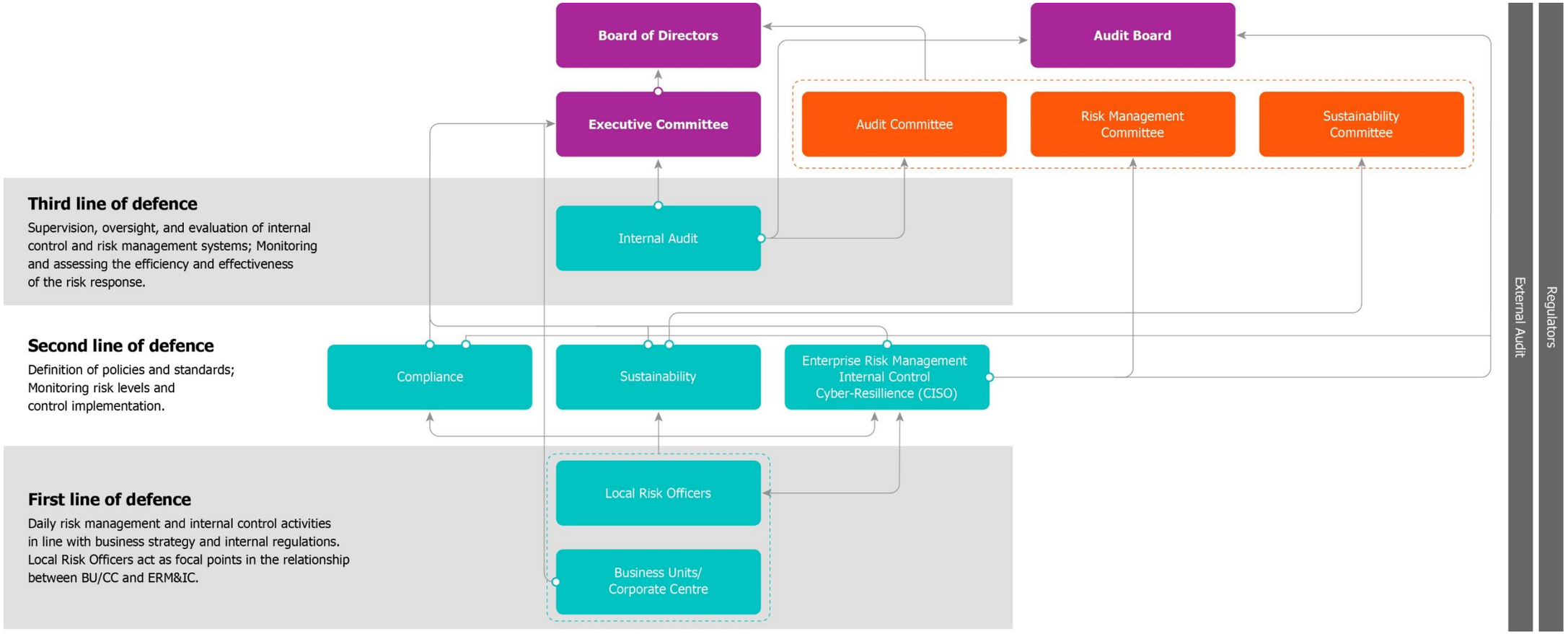
The External Auditor/Statutory Auditor, the corporate areas responsible for carrying out audits of environment, quality, safety, sustainability and for ethical and regulatory compliance and the Audit Board are also responsible for monitoring the effectiveness of the internal control system and assessing its functioning and procedures.

The implementation of internal control activities is the responsibility of the Group's business units' operational areas, corporate functions and Galp Group companies.

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company.

The organisational and governance structure for internal control and risk management is based on the three-lines-of-the defence model, as shown in the chart below.

Risk Management Framework



The three-lines-of-defence approach ensures that:

- The first line of defence is responsible for the daily risk management and internal control activities. Those in charge of risks and control functions within organisational units, as well as Local Risk Officers (LRO), must perform their daily functions in accordance with the business strategy and internal policies, standards, and procedures, including the Company's Risk Management Policy;

- The second line of defence is responsible for defining compliance, risk, and internal control regulations and ensuring their cross-functional implementation. It also challenges the risk identification and quantification performed by the first line of defence and regularly monitors risk levels;

- The third line of defence oversees, controls, and evaluates the effectiveness of risk management and internal control processes, monitoring the efficiency and effectiveness of risk response actions.

The **Board of Directors**, assisted by specialised committees, defines the risk management strategy; approves the Risk Management Policy and risk appetite underlying the Budget and Plan; and oversees risk management activities. It also monitors the activities and recommendations of the Risk Management, Internal Audit, and Sustainability Committees.

The **Audit Board** is responsible for monitoring the effectiveness of risk management, internal control, compliance, and internal audit systems.

As part of its supervisory function, the Audit Board annually assesses internal control and audit procedures; supervises the adoption of risk management principles and policies, as well as the monitoring, control, and reporting risk processes. It oversees the activities of the Risk Management and Internal Control Department, Internal Audit, and the Compliance area within the Legal, Compliance & DPO Department. The Audit Board receives regular reports from these departments, including the Annual Audit Plan and reports on conducted audits, the Annual Compliance Plan, and information on whistleblowing issues, identification or resolution of conflicts of interest, detection of potential illegalities, as well as documentation and results of Risk Management Committee meetings.

The Audit Board meets monthly with the Head of Internal Audit and quarterly with the head of the Risk Management and Internal Control Department and the responsible of the Corporate Secretary and Compliance areas of the Legal Affairs Department.

The **Executive Committee** ensures alignment of risk management with defined strategy and business objectives. It fosters a risk culture and the Company's commitment to risk management, establishes and ensures compliance with risk management regulations, defines reporting lines, competencies, and responsibilities related to risk management, and validates Top Risks, Key Risk Indicators (KRI), and treatment plans reported by the Risk Management and Internal Control Department. The Board member in charge of Risk Management ensures risk appetite is considered in decision-making, supervises risk assessment processes, ensures compliance with risk management guidelines, and promotes and monitors the implementation of risk-related recommendations.

The **Risk Management Committee**, consisting of three non-executive members of the Board of Directors, advises the Board on supervising and monitoring Galp's key risks, assessing compliance with risk tolerance levels and the effectiveness of mitigation actions. It also evaluates Galp Group's internal control and risk management systems, issues appropriate opinions and recommendations, and assesses compliance with Galp's risk management policy.

The **Audit Committee**, consisting of three non-executive members of the Board of Directors, advises the Board on supervising and controlling Galp Group's internal audit activities, evaluating results and conclusions, and issuing relevant opinions and recommendations.

The **Sustainability Committee**, consisting of three non-executive members of the Board of Directors, assists the Board in integrating sustainability principles, including energy transition, social responsibility, human rights, safety, and environmental aspects (including climate-related topics), into Galp Group's management process, promoting industry best practices in all its activities. The Sustainability Committee, with the support of the Risk Management Committee, is responsible for climate-related risks.

The relationship model between supervisory bodies, committees, and areas responsible for implementing risk management and internal control systems favours centralised risk management in the **Risk Management and Internal Control Department**. This department is responsible for, among other things:

- Promoting the application of best risk management practices to ensure a robust risk culture.

- Proposing risk management policies, standards, and procedures and their revisions.

- Annually proposing the risk appetite statement to the Board of Directors, ensuring its consistency with the strategic guidelines reflected in approved business plans.

- Defining risk management support tools for organisational units, including risk assessment models and methodologies, and ensuring their updates in accordance with existing regulations.

- Aggregating risks from organisational units and identifying the Group's Top Risks classified as Strategic, Financial, Operational, Legal & Compliance, Information Systems, and People.

- Monitoring corporate-level risk, issuing alerts when it exceeds limits and tolerances defined for KRIs.

- Providing quarterly information to the Executive Committee, the Risk Management Committee, and the Audit Board on Top Risks, KRI evolution, and the status of mitigation actions.

- Supporting the Investment Committee, the Executive Committee, the Risk Management Committee, and the Audit Board on risk matters within their competencies and framework.

Risk owners are responsible for identifying and understanding the risk environment of their organisational units; managing daily risks and opportunities; and integrating risk information into their decision-making processes while ensuring compliance with risk management policies and procedures. They are also responsible for identifying, assessing, and quantifying the potential value exposure to risk; defining KRIs; proposing limits and tolerances for monitoring the evolution of exposure to risk; and defining risk response measures.

Local Risk Officers (LROs) support organisational units in identifying, assessing, and quantifying risks and opportunities, defining KRIs and their limits and tolerances. They are also responsible for ensuring an integrated view and identifying organisational units' Top Risks and monitoring the evolution of risk exposure according to defined KRIs. Additionally, they prepare and report risk exposure information to the Risk Management and Internal Control Department, alerting about incidents or imminent risks, and ensuring that response measures are defined and implemented.

To add distinctive value to the LRO function, enabling a broader set of objectives, Galp has defined a multi-layered LRO structure that includes LROs with different levels of seniority and positions within the Company, engaging in distinct but complementary activities.

52. Existence of other functional areas with risk control responsibilities.

In addition to those described above, the Sustainability area of the Investor Relations & Sustainability Department, the Compliance area of the Legal Affairs Department, and the Cyber-Resilience and Internal Control areas of the Risk Management and Internal Control Department are also involved in risk management and control.

The Sustainability area is responsible for corporate management of sustainability risks (including those arising from climate change) and for defining and proposing assessment and monitoring methodologies for these risks. These should be implemented jointly with business units, ensuring the definition of an action plan to mitigate or eliminate these risks.

The Board of Directors, the Executive Committee, and the Sustainability Committee are informed quarterly about Galp's decarbonisation roadmap performance against defined targets, the status of actions in this roadmap, or any relevant issues related to climate change through a specialised report prepared by the Investor Relations & Sustainability teams, with the support of the Risk Management team when necessary.

Galp recognises the importance of responsible leadership that integrates the main challenges related to climate change and energy transition into its strategy. Therefore, risks and opportunities related to climate change and energy transition – in the short, medium, and long term – are integrated into the Company's strategic formulation and investment planning process. These are overseen by the Board of Directors and the Executive Committee, with the Chief Executive Officer (CEO) being the designated member responsible for the climate strategy.

The **Internal Control** area is responsible for promoting, coordinating, and monitoring the implementation of a formal internal control system within the Galp Group. This includes internal controls over financial and non-financial (ESG) reporting, as well as supervising and monitoring the mechanisms necessary for its effectiveness. Additionally, it defines and promotes the annual cycle of relevant activities within the scope of the Internal Control System over Financial Reporting (ICSFR), ensuring its internal consistency and coherence. This is done in accordance with the international framework of COSO Internal Control Framework 2013 and COSO Internal Control over Sustainability Report 2023. The identification of financial and non-financial reporting risks is carried out in collaboration with organisational units, implementing relevant controls to mitigate these risks at various levels of responsibility within the organisational structure.

The **Compliance** area establishes ethical and compliance controls; monitors the internal control system by conducting internal investigations, audits, or risk assessments on ethical and compliance issues (such as bribery and corruption, money laundering and terrorist financing, conflicts of interest, political, economic and financial sanctions, financial and market regulation compliance); and performs due diligences on these matters for relevant partners and transactions. Additionally, it provides training to Galp employees on compliance matters and evaluates the performance of various organisational units in terms of compliance. It also undertakes special projects to consistently improve Galp's compliance.

The **Cyber-Resilience** area is responsible for defining and monitoring policies, procedures, and actions related to cybersecurity in the domains of Information Technologies (IT) and Operational Technologies (OT), extending to relevant Galp partners and suppliers. It also ensures immediate dissemination of alerts and promotes a high level of information security maturity in line with best practices.

Although not part of the internal organisation, the **External Auditor** plays an important role in the control structure, analysing accounting systems and the internal control system as necessary to issue its opinion on financial statements and make recommendations to stakeholders, including the Executive Committee, the Board of Directors, and the Audit Board.

Similarly, **Regulators**, while not part of the organisation, have a significant control role, setting operating rules and establishing compliance assessment controls, especially in the regulated electricity and natural gas business of Galp.

53. Identification and description of the major types of risks (economic, financial and legal) to which the Company is exposed in the pursuit of its activity.

Galp has a Risk Taxonomy, a dynamic tool supporting risk management that systematises Galp's main risks, organised into three levels: nature, risk, and risk factor.

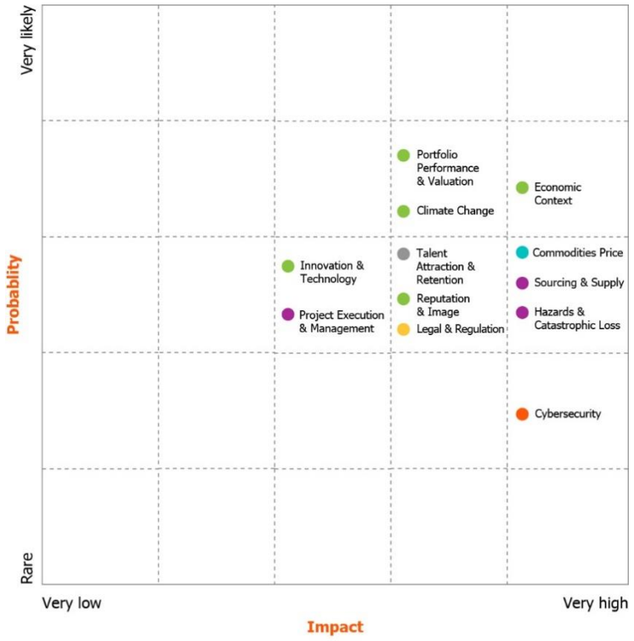
Galp's Risk Taxonomy is a dynamic document reviewed annually by members of the Risk Management and Internal Control Department in collaboration with LROs, aiming to capture all changes in internal and external environments for Galp's risk framework.

The long-term nature of Galp's business operations means that many of the risks it faces can be considered permanent. However, internal or external factors triggering risks and opportunities can develop and evolve over time, varying in terms of probability and impact. Therefore, Galp implements a systematic and continuous process of risk and opportunity identification, assessment, and management across the three lines of defence, with the goal of providing reasonable assurance of achieving the Company's objectives and creating and preserving value for stakeholders.

In addition to the main risks and opportunities inherent in Galp's activities, we identify below the emerging risks, defined as those that (i) currently do not have a significant impact on the Company and are highly uncertain due to their rapid and nonlinear evolution or both, (ii) or, even if they have already begun to impact the Company's business, will continue to have a long-term impact and may materially influence Galp's business model.

Appropriate mitigation measures are also identified below.

Top Risks



Strategy Risks

Economic Context

Galp's ability to respond appropriately and timely to changes in the market is crucial to ensuring good financial performance and achieving strategic objectives.

Risk factors	Mitigation measures
The Oil & Gas sector is particularly exposed to economic conditions, with supply and demand heavily influenced by the macro environment, characterised by price volatility and occasional supply disruptions. Various factors, including operational, climatic (e.g., natural disasters), economic (e.g., economic contraction/expansion periods, exacerbated inflation, increased interest rates), geopolitical (including actions of major oil and gas-producing countries), commercial (e.g., increased competition), and legal (e.g., new regulations), influence the dynamics of supply and demand in the Oil & Gas sector, impacting oil and gas prices. The rapid growth of electric mobility, driven by international policies, fosters the emergence of new business models while linearly influencing the reduction of consumption of fossil fuel-derived products. Disruptive situations, such as pandemics like COVID-19, growing concerns about climate change favouring lower greenhouse gas emission energies, or political conflicts like the Russia-Ukraine war or the Israel-Hamas war, can exacerbate disruptions in the sector. Continued sanctions imposed on Russia by the European Commission during the war period reduce liquidity in the market for some products, increasing competition for available products, leading to unpredictability in the prices of certain products and raw materials. Galp's competitive position may be harmed if it fails to respond appropriately and timely to any adverse or disruptive situation, negatively affecting its activities and financial performance.	Galp continuously assesses markets and related economic, political, social, and environmental factors to anticipate changes that may impact the company's business model. Any variation in the macro context undergoes an in-depth risk analysis, enhancing the company's preparedness for any adverse effects and strengthening its resilience, both financially and operationally. Through regular analysis of consumption patterns (demographic, social, etc.), Galp proactively adjusts its offerings to meet the daily needs of its customers, playing a partnering role with them. The strategy of reshaping the portfolio for renewable energies and new businesses, along with the development of internal competencies, enables the company to study, create, and implement new and improved technical and technological solutions, ensuring a competitive position. Using scenario modelling, Galp conducts stress tests to assess the contribution of business integration and diversification to mitigate these risks and to test the resilience of its strategy. Additionally, Galp has a robust capital structure and significant competitive advantages, including a long-standing presence and robust operational experience in the industry and markets where it operates. As a leading operator in the Iberian Peninsula, these factors provide resilience against negative fluctuations in market conditions.

Portfolio Performance and Valuation

The execution of Galp's strategy may be affected if the company is unable to develop, maintain or efficiently manage a high-value portfolio.

Risk factors	Mitigation measures
The sustainability and growth of Galp's business depend on its ability to build and maintain a high-value portfolio. Galp is strongly committed to reshaping its portfolio, focusing on opportunities that ensure the ability to create sustainable long-term value, leveraging existing competitive advantages while diversifying and exploring synergies and adjacent opportunities aligned with market trends. A significant portion of Galp's investments is directed towards low-and no-carbon businesses, aligning with the company's decarbonisation ambitions. However, obtaining a low-carbon portfolio oriented towards value creation poses some challenges for Galp, including the availability of the necessary specialised knowledge, regulatory constraints, and technological issues, which may hinder the company's decarbonisation at the pace demanded by the market. Maintaining a high-quality Upstream portfolio (low carbon emissions) generating results may be negatively impacted, primarily by external factors such as geopolitical, fiscal, and regulatory risks. Additionally, the still significant weight of the Oil and Gas (O&G) sector in Galp's portfolio may pose an additional challenge for the company in the face of energy transition and the new demand paradigm. The high exposure to the Iberian Peninsula and Brazil, where Galp's main assets and operations are concentrated, may create a risk of dependence on these countries, as well as vulnerability to political, regulatory, or social factors affecting them. In pursuing its strategy, Galp may consider divestments, but if not done at acceptable prices or within a suitable timeframe, it could result in increased pressure on its liquidity and potential losses. Failure to build a diversified and high-value portfolio could have a materially adverse effect on Galp's competitiveness, results, and financial performance.	To ensure the company's sustainability and generate sustainable value for stakeholders in the long term, Galp is committed to diversifying its portfolio into renewable energies and new businesses, in line with the energy transition. This includes both technology diversification and entry into new geographical areas, reducing the company's overall risk and providing new sources of value creation. Simultaneously, the company is committed to transforming its consolidated businesses – Industrial, Energy Management, and Commercial – to adapt to new demand trends, becoming more sustainable and less carbon-intensive, focusing on synergies and integration between all its business units. To achieve this, Galp continually identifies new business opportunities, evaluating them from a risk-return perspective through scenario modelling of critical variables, including carbon metrics. Additionally, Galp proactively forms teams and defines the appropriate governance structure for the execution of its strategic options. To assess potential divestments in the execution of its strategy, Galp continuously monitors market developments to seize the best opportunities.

Climate Change

The inability to respond adequately and timely to concerns related to climate change could compromise Galp's long-term sustainability.

Risk factors	Mitigation measures
The growing focus on climate change and the effects of the energy transition has created a rapidly evolving landscape of risks and opportunities in response to various stakeholder actions. According to the Task Force on Climate-Related Financial Disclosures (TCFD), climate risks and opportunities should be classified as physical (both acute and chronic) and transition-related (related to technological, regulatory, legal, and market changes). The potential impact and likelihood of the effects of climate change on Galp depend on specific risk components: *Physical risks* (such as rising sea levels, tornadoes, drought, heavy rainfall, floods, water scarcity, increased average temperature, etc.) may cause damage or disruptions and delays in the operations of Galp's physical assets, some of which are located in regions prone to such phenomena. It's worth noting an increased incidence of some of these phenomena in the Iberian Peninsula, where Galp has a significant portion of its assets. *Transition risks* (market, legal and regulatory, and technological risks) can profoundly affect the O&G sector due to changes in consumer behaviour, reducing demand for O&G, and potentially affecting their prices. This includes substantial investments in structural technologies, such as electrification and hydrogen, supporting the transition to a low-carbon, energy-efficient economic system. Additionally, there is the potential for anticipating a loss of asset value, driving the creation of "stranded assets." Furthermore, climate activism is gaining strength, becoming an increasing risk for organisations, forcing changes in their climate strategy or governance and increasing regulatory pressure. With public opinion, governments, investors, and customer preferences favouring companies contributing to a more sustainable economy, and with increasing pressure to decarbonise, Galp's positioning is under scrutiny. Inaction or delayed action could have a material impact on its competitiveness, results, financial performance, and reputation, ultimately compromising its long-term sustainability.	Galp addresses climate risk through its acceleration strategy (embedded in its decarbonisation roadmap), determined and profitable transition to net-zero emissions. This is supported by reshaping its portfolio (expanding its renewable energy footprint and developing biofuels and green hydrogen, among other initiatives) while focusing on implementing new technologies and best practices to leverage business transformation, adapt operations, and increase energy efficiency. The management of climate risks is supported by a governance framework involving the Board of Directors, the Executive Committee, and the Sustainability and Risk Management Committees, along with a set of standards and policies related to quality, health, safety, environment, and social issues. Risks and opportunities arising from climate change are addressed and incorporated into the strategic planning process, considering alternative scenarios and different time horizons. Additionally, aware of potential future changes in regulation, consumption patterns, and technology, and the associated risks to long-term business plans, Galp assesses the potential greenhouse gas emissions throughout its value chain when evaluating new projects, expansions, or updates to existing assets. The company considers an internal carbon price in the investment analysis, which varies over time. Galp believes that the evolving risk landscape requires transparency in reporting information about its current performance and the establishment of both long-term ambitions (such as becoming a net-zero emissions company by 2050) and medium-term objectives until 2030. These objectives include: • A 40% reduction in absolute greenhouse gas emissions from its operations (Scopes 1 and 2). • A 40% reduction in carbon intensity (Scopes 1, 2, and 3) of energy produced, based on a production-based approach. • A 20% reduction in the carbon intensity of its sales portfolio, based on a sales-based approach Downstream. Simultaneously, Galp is committed to demonstrating resilience in adopting the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines. Additionally, all Galp assets are protected against physical damage and business interruption caused by natural disasters through insurance coverage contracted in the international market.

Reputation and Image

An erosion of Galp's reputation could have a material adverse effect on its strategy due to increased difficulty in accessing capital and financial markets, as well as in attracting customers and employees.

Risk factors	Mitigation measures
Galp's reputation is an invaluable asset. The Company's reputation can be harmed by any inappropriate or irregular behaviour (real or alleged) by its employees or third parties; by non-compliance with the regulatory framework governing Galp's various businesses or with cross-cutting standards and policies; by failures in corporate governance; or by a lack of understanding of how our operations affect local communities and the environment. Any less-than-appropriate behaviour by the Company, its employees, social bodies, suppliers/service providers, or counterparts can reflect negatively on Galp. It is worth noting that, in the context of climate change and the energy transition, there is increased scrutiny of the Oil & Gas sector. Therefore, non-compliance with external legal frameworks or delays or non-compliance with Galp's communicated Decarbonisation Plan can have a significant impact on its reputation. Any risk associated with Environmental, Social, and Governance (ESG) dimensions will have unfavourable impacts on Galp's image, investment attractiveness, and relationships with stakeholders. Many other factors, including those presented in various other risks, can negatively affect Galp's reputation and have a material adverse impact on its results, financial performance, and company valuation.	The corporate culture of the Company, embodied in its Corporate Social Responsibility Policy, is guided by high ethical values and standards of social responsibility. To ensure compliance with best practices and legislation and to prevent irregular conduct or inappropriate behaviour, Galp has various policies and standards, including a Code of Ethics and Conduct, an Anti-Corruption Policy, a Human Rights Policy, an Anti-Money Laundering and Terrorism Financing Prevention Standard, and a Data Protection Policy. These are supported by a governance structure involving the Compliance area and well-established information channels. Galp constantly monitors the ethical behaviour of its people, ensuring compliance with its values and policies and assessing the external environment to identify potential reputation risks. The company maintains an ongoing dialogue with its key stakeholders, including shareholders and investors, business partners, suppliers, and customers, to gather more information about society's expectations regarding its business. Through the internal Crisis Management framework, Galp is prepared to deal with various risk factors that may affect its reputation, ensuring effective communication with all its stakeholders, including the media. Additionally, Galp has mitigation plans for other risks that may affect the company and have a potential impact on its reputation.

Innovation & Technology | Emerging Risk

The inability to identify and integrate technological developments can compromise Galp's competitive position.

Risk factors	Mitigation measures
Growing digital transformation requires companies to restructure business models through business intelligence and operational models, supported by innovative technologies and data analysis, to increase speed, enable deeper insights, and enhance efficiency in performance management. The ongoing digital transformation is also evident in the Oil & Gas sector, which is exploring ways to digitise, automate, and address complex industry challenges (both in platforms and refineries associated with traditional businesses and in projects for renewable energy production, or other new ventures such as green hydrogen), and also cross-cutting issues (e.g. development of new practices that accelerate processing times and reduce manual work). Failure to incorporate the most suitable solutions will lead to less effective processes in defining strategic objectives, analysing and evaluating performance, reporting, and performance review, potentially impairing Galp's ability to make informed decisions and incorporate lessons learned. There would be underutilisation of real-time data collection across facilities and geographies if Galp were unable to use the Internet of Things (IoT); insufficient knowledge about customers without utilising Big Data & Analytics; reduced forecasting and cognitive analysis capabilities without Artificial Intelligence (AI); and lower efficiency and a higher likelihood of human errors without Robotics and Automation (R&A). However, these new and innovative technologies bring increasing risks of cybercrime threats and data privacy risks for companies. Failure to monitor these risks could also lead to very adverse effects. Failure to identify and integrate new technological trends and innovations can impact Galp's efficiency and competitive position, resulting in a material adverse effect on its results and financial performance.	Galp sees technology and data as essential pillars for the company's competitive advantage and a source of value generation. In this regard, the company promotes, through a governance structure supported by a Tech, Transformation & Data (T2D) Office, a new model of enterprise performance management based on comprehensive and integrated transformation in technology and data. This aims to accelerate the company's digital evolution by strengthening data analytical capabilities, optimising resource allocation for business transformation and efficiency, and maximising value generation through data analysis and AI integration. While driving technology and data initiatives, Galp aims to ensure high performance and security of the company's information systems and technologies (SI/TI). To mitigate the risks of cybercrime amplified by new technologies, Galp has been reinforcing its Cybersecurity and Cyber-Resilience capabilities, ensuring the identification, protection, detection, and response/recovery of cyber threats and risks to the company.

Finance Risks

Commodities Price

Galp's assets and results depend on various market factors, including the prices of petroleum products, natural gas, LNG, refining margins, electricity, and CO_2.

Risk factors	Mitigation measures
The prices of oil, petroleum products, natural gas, LNG, and electricity fluctuate based on supply and demand, both nationally and internationally. Factors such as macroeconomic, geopolitical, and technological uncertainties, supply constraints, and operational circumstances can impact the supply and demand for products and Galp's production costs. Changes in consumption patterns, increased demand for lower-carbon solutions, natural disasters, and extreme situations like the COVID-19 pandemic can also affect the demand and supply of oil and gas, influencing the prices of these commodities. The prolonged conflict in Ukraine is likely to continue causing ongoing inflationary impacts on raw material costs. Oil and gas prices, in particular, have risen due to the high dependence on Russian imports, with Russia supplying around 40% of the gas consumed in Europe before the conflict. The supply and price of Vacuum Gas Oil (VGO), mainly from Russia (approximately 50% of global production), have also been affected by the conflict. Additionally, a potential escalation of the conflict between Israel and Hamas, involving oil-producing and exporting countries, may impact the increase in oil and gas prices due to potential production issues and concerns about transportation security, leading to increased cargo insurance and freight costs for tankers. Recent actions by OPEC and OPEC+ members to cut production to boost prices add to these considerations. The price of CO_2 is also determined by fluctuations resulting from supply and demand dynamics or changes in national and international legislation. Adverse changes in key market parameters can have a significantly negative impact on the value of assets, results, and financial performance for Galp.	Galp's presence in Upstream and Downstream businesses (oil, gas, and electricity) provides partial natural coverage for this risk. Additionally, Galp maintains a diversified portfolio that mitigates the impact of price volatility, and it proactively assesses the resilience of new projects across various price and cost scenarios. Furthermore, the risk of commodity price volatility is partially mitigated through instruments available in the foreign exchange and over the counter (OTC) markets. The management of these risks is outlined in a specific risk policy, including hedging strategies and exposure limits, and a Strategic Hedging Programme is annually defined/reviewed. The management and mitigation of this risk ensure compliance with the defined risk profile, with periodic reports detailing the evolution of risk factors and hedging strategies.

Operations Risks

Sourcing and Supply

The increasing challenges in the global supply chain, with potential supply failures, can have a significant impact on Galp's operations and financial performance.

Risk factors	Mitigation measures
The increase in challenges in the global supply chain, with potential supply disruptions, can have a significant impact on Galp's operations and financial performance. Supply chain crises can be triggered by various factors, including natural disasters, pandemics, wars, and energy crises. Following the impact of the Covid-19 pandemic, the Russia-Ukraine war caused a disruption in global supply chains, setting off a domino effect from raw material suppliers to transportation and logistics. Ukraine and Russia are among the major global players in supplying metals, hydrocarbons, minerals, energy, and wheat. The prolonged conflict has led to shortages of raw materials and price increases, labour shortages, impacts on production capacity with associated delays, demand volatility, and restrictions on capacity and logistics routes. Additionally, the effect of the war between Israel and Hamas, along with growing tension in surrounding countries, as well as attacks by Houthi rebels on commercial vessels sailing in the Red Sea for European supply, impacting oil transport security, are factors that will increase supply chain risk. Associated with these conflicts, the risk of cyber-attacks on global supply chains has intensified. With global trade heavily reliant on online platforms, the cascading effects of a cyber-attack on the supply chain could be significant. The unavailability of materials, equipment, and labour for the execution of Galp's projects may compromise the implementation of its strategy according to the planned schedule. Shortages of LNG in international markets and price increases could affect Galp's ability to fulfil its supply commitments to customers as planned. These situations could have a material adverse effect on Galp's operations, financial performance, and reputation.	To mitigate the impact of this risk, Galp explores and identifies alternative sources of supply, not only to find cheaper sources but also to ensure supply and the fulfilment of contractual commitments with its customers. Additionally, to minimise supply chain disruptions and ensure timely and budgeted delivery, Galp establishes contractual mechanisms in supply contracts. Furthermore, Galp is working on remodelling supply chains and outsourcing strategies, anticipating short, medium, and long-term needs, identifying key raw materials and products, signing contracts with key suppliers, and ensuring price predictability to enhance operational resilience.

Hazards & Catastrophic Loss

Galp's main operations are exposed to the risk of significant incidents involving fatalities and/or significant damage to facilities, equipment, or the environment.

Risk factors	Mitigation measures
The nature, technical complexity, and diversity of Galp's operations, particularly in the Upstream or in the Industrial processes, expose the company to a wide spectrum of disruptive health, safety, security, and the environment (HSSE) risks. Both Upstream and Industrial operations are conducted in extremely adverse environments, subject to the effects of natural disasters, criminal actions, social unrest, and technical or security failures. The occurrence of a serious accident can result in injuries, loss of lives, environmental damage, and compromise operational reliability or facilities, disrupting the continuity of operations. Additionally, while Galp transfers a portion of its risk exposure to external insurance companies, a large-scale security or environmental incident would have a high financial impact. Such an event could have a material adverse effect on Galp's reputation, the value of the Group's assets, and its financial performance.	Galp has various standards and a clear governance structure to help manage HSSE risks and develop mitigation strategies to reduce the probability and impact of a potential serious accident. Galp also provides regular training on these topics to its employees and subcontractors, aiming to increase awareness of the importance of the subject, with the goal of becoming the world's safest energy company by 2025. Additionally, Galp has an insurance program covering, among other things, liability, business interruption, and environmental responsibility, to minimise the impact of materialising risks. Furthermore, Galp continuously assesses the safety performance of its operations through internal teams and reinsurance experts, identifying and managing operational risks at various stages of the development of its projects, equipment, and assets, with the aim of preventing accidents, protecting people, and preserving operational performance. Besides, specific internal and external audits on HSSE are regularly conducted. Galp has a Business Continuity Management System that expedites the recovery of key activities and product supply in the event of a serious accident, allowing the management of any adverse event with high impact through the activation of its Crisis Management Office.

Project Execution & Management

The organic growth and results of Galp depend on the successful execution of its key investment projects within the planned budget and timeline.

Risk factors	Mitigation measures
The execution of projects in which Galp is involved is exposed to a variety of risks (market, liquidity, political, legal, regulatory, technical, commercial, climatic, and others) that can compromise their execution within budget and deadlines; compliance with defined specifications; their operational reliability, and ultimately, the fulfilment of Galp's strategy. On the other hand, if the assumptions or information used for the evaluation and approval of projects prove to be incorrect, the decisions made may be inaccurate. The execution of projects also depends on the performance of third parties, including partners, suppliers, service providers, and other contracted parties over which Galp has limited control, which may bring additional risks to project execution, including financial, compliance, and cyber risks. The execution of new projects requires obtaining licenses, whether issued by municipalities or independent entities. Delays in obtaining these licenses can lead to deviations from the planning. Any event preventing the execution of the best projects under the best technical and financial conditions may impact the value of Galp's assets and results.	At Galp, a final investment decision on a project is based on feasibility studies conducted by multidisciplinary teams, including an integrated assessment of key risks that may impact execution and the definition of mitigation measures to protect the future project execution and outcome. Project execution is continuously monitored, allowing for the identification of risks that may cause deviations from the initial plan, and the implementation of corrective measures if necessary. In addition to monitoring execution, Galp maintains a rigorous cost control discipline, starting with comprehensive budgeting, including contingencies, as well as regular cost control to proactively address potential deviations. In the case of consortia, Galp establishes partnerships with industry-leading companies with extensive knowledge and experience in projects, helping to mitigate the risk of project execution with lower-than-expected performance. Galp promotes a careful process of selecting and contracting partners, suppliers, service providers, and other third-party entities, which includes operational, cybersecurity, compliance, HSSE, and sustainability criteria, mitigating the risk of project execution. A significant portion of the remaining risk is transferred through a comprehensive set of insurance policies (mainly related to material damage, third-party liability, and the environment) to insurance companies, allowing for the mitigation of the impact of major accidents or indemnity claims.

Legal and Compliance Risks

Legal & Regulation

Changes in the legal and regulatory environment can alter the business context in which Galp operates.

Risk factors	Mitigation measures
Galp is subject to a broad spectrum of international and country-specific laws and regulations in each of the countries in which it operates, both industry-specific (e.g., oil and gas industry laws) and cross-cutting (e.g., competition laws, data protection laws, anti-bribery laws, tax evasion, and anti-money laundering laws). Part of Galp's activity (especially in the Upstream, Energy Management, and Downstream businesses) is conducted in emerging or developing economies with a relatively unstable legal and regulatory framework. This may lead to legislative and regulatory changes that Galp is obliged to comply with and that can alter the business context in which the company operates. The Downstream and renewable energy activities of the company on the Iberian Peninsula are also subject to political, legislative, and regulatory risks, particularly regarding regulation and competition laws. Legal risks associated with potential contract breaches by Galp's counterparts in various ongoing projects and transactions are also pervasive across Galp's activities. Changes in legal frameworks or any improper behaviour, irregularity (real or alleged), or non-compliance with legal frameworks by the company, its employees, governing bodies, suppliers/service providers, or counterparts can have a negative impact on Galp's business activities and adversely affect its results, financial performance, and reputation.	Galp proactively monitors the international, national, and jurisdictional legislative framework, ensuring continuous compliance with the laws in force in these countries. The legal and regulatory framework risk is proactively managed by Galp as part of the investment evaluation process, with investment decisions being assessed by multidisciplinary teams within the company, including the Legal, Corporate Secretary, Compliance & DPO Department which also provides active legal advice in the negotiation process, ensuring proper risk management of actual and potential risks. This risk is continuously monitored by the same multidisciplinary teams throughout the asset operation phase to assess any changes in the law or regulations of the country where the asset is located and to recurrently assess the legal and contractual mechanisms that allow the avoidance and/or mitigation of such risks. Impacts are assessed, and decisions are made to protect the interests of Galp and stakeholders.

Information Technology Risks

Cybersecurity

Ensuring the cyber and digital resilience of Galp is essential, as a potential breach of digital security or failure of digital infrastructure can impact the availability of our services and operations, increase costs, and affect Galp's reputation.

Risk factors	Mitigation measures
The majority of Galp's processes heavily rely on digital systems and data. Any security failure in these systems, whether accidental (due to network, hardware, or software failures) or resulting from intentional actions (cybercrime) or negligence (internal or by service providers), can have extremely negative impacts on Galp, its customers, and suppliers. In recent years, there has been an exponential increase, both in volume and sophistication, of cybercrime, particularly activities targeting organisations, focusing on exploiting vulnerabilities in their technology, people, and processes, with the aim of stealing sensitive data and/or disrupting operations to demand high financial ransoms. The Russia-Ukraine conflict has exacerbated this trend, leading to an increase in cyberattacks on energy infrastructures in several European countries with severe consequences. The unavailability or failure of critical digital systems can compromise the normal development of Galp's activities. If not detected and effectively addressed in a timely manner, these issues can cause interruptions, affect the quality of operations, harm reputation through potential loss, violation, misuse, or abuse of personal and/or confidential data, lead to loss of lives, damage to the environment or company assets, and/or result in legal or regulatory non-compliance with possible fines or other sanctions. All these scenarios can have a material adverse effect on Galp's reputation, results, and financial performance.	Galp mitigates this risk through its Cybersecurity and Cyber-Resilience capabilities, ensuring the identification, protection, detection, and response/recovery of cyber threats and risks to the company (affecting its technology, people, and processes) across all group companies and locations. To identify cyber risk factors, a set of technical and procedural measures is implemented to ensure visibility of potential vulnerabilities in Galp's digital systems and those of its service providers, as well as their tracking until mitigation. Regular assessments are conducted to simulate external attacks and validate the adequacy of measures against Galp's policies. A set of Protection and Detection measures and mechanisms deemed appropriate to the type of cyber threats facing Galp has been implemented to ensure the protection of its technology, people, and processes, continually adapting and adjusting these measures. Galp assesses the capabilities of its suppliers/partners when market consulting/contracting through a Third-Party Risk Management mechanism, identifying mitigation measures and monitoring their implementation. Furthermore, to enhance Galp's cyber culture, the Cyber-Resilience team provides cybersecurity training to all individuals, employees, or subcontractors. In terms of response, Galp, through its CSIRT (Cyber Security Incident Response Team), ensures a 24/7 response capability to cyber incidents, thus ensuring its resilience by coordinating the response to incidents affecting the organisation and identifying and monitoring lessons learned as a way to continuously improve the organisation's cybersecurity. Galp continues to implement improvements identified during the holistic and comprehensive cybersecurity maturity assessment developed in 2022 and has now reinforced and expanded this roadmap until 2024.

People Risks

Talent Attraction & Retention

Galp's ability to attract, retain, and manage talent is crucial to ensuring the achievement of its strategic objectives.

Risk factors	Mitigation measures
Attracting, retaining, and managing qualified talent is becoming a concern for the majority of organisations. Since the onset of the COVID-19 pandemic, the employment landscape has undergone significant changes. The hybrid model has gained prominence, compelling companies to find ways to maintain employee engagement and productivity, avoiding failures in talent management, all while ensuring the preservation of the company culture. Additionally, companies are faced with the growing ambitions of employees seeking a better work-life balance, a more transparent and flexible work environment, improved well-being in the workplace, and more competitive benefit packages (salary, flexible benefits, learning experiences, career management, etc.). On the flip side, high turnover rates are disrupting organisations, intensifying competition to retain talent. If Galp fails to implement an effective process for attracting, retaining, and managing performance, it runs the risk of losing talent, potentially hindering the proper execution of its strategy and impacting results, financial performance, and reputation.	Galp has prioritised well-being, aiming to ensure employee engagement and productivity while maintaining the competitiveness of the company as an employer. Recognising that remote work blurs the boundary between work and personal life, Galp is investing in building a holistic well-being culture, expanding beyond the physical dimension to include emotional, financial, social, and career dimensions. The company is also aware that monitoring the employee's journey within the organisation is a crucial element to ensure happiness and retention. This involves paying attention to generated feedback, addressing training needs, fostering personal and professional growth, and addressing other additional requirements. Furthermore, Galp has implemented a new performance management model centered on people development and aligning their aspirations with the company's objectives, conducting employee satisfaction assessments and defining improvement and career follow-up plans. The new strategy, based on a new organisational structure, aims to attract and retain the necessary talent to drive the development of Galp's business model. In addition, the office relocation that took place at the end of 2023, bringing various teams closer together, aimed to enhance a more collaborative attitude and a greater commitment to the company.

54. Description of the procedure for the identification, assessment, monitoring, control and management of risks

Galp is exposed to a set of uncertainties in internal and external environments that are inherent to its activity, the diversity, and geographical dispersion of its businesses. These uncertainties can trigger risks related to personal accidents, environmental impacts, asset damage, reputation damage, operational failures, non-compliance, among others, leading to financial losses. However, they can also present opportunities such as business portfolio development, market expansion, and the establishment of strategic partnerships.

In this context, Galp has a risk management framework that allows for a robust and holistic view of the main risks and opportunities faced by the Company. These are strategically managed within the defined risk appetite, increasing the likelihood of achieving its organisational objectives.

The risk management model adopted by Galp is based on internationally recognised standards and guidelines (ISO 31000 – Risk Management and COSO – Committee of Sponsoring Organisations of the Treadway Commission) and in the three lines of defence risk governance model, aiming to integrate the company's strategy, risk management, control implementation, and governance.

Risk management at Galp is framed within a regulatory environment that includes a set of policies, standards, and procedures, supported by the Risk Management Policy.

Based on the governance model and regulatory environment outlined, Galp develops a systematic and continuous process of identifying, assessing, responding to, monitoring, and supervising/reviewing risks and opportunities inherent in its strategy.

This process includes emerging risks and opportunities and unfolds as depicted in the diagram below.



Identification of Risks and Opportunities:

The identification of risks/opportunities is based on understanding the internal and external environments, assessing potential changes in these environments, and aligning with the strategic and business objectives of the company. This process is continuous, especially during the assessment of new investment projects, divestments, or business ventures, and during the Budget and Plan (B&P) development phase.

The current risks and emerging risks identification is supported by a Risk Taxonomy, providing an overview of risks affecting the company, structured into strategy, finance, operations, legal & compliance, information technology, and people categories.

Business models are analysed to identify underlying risks and construct a set of alternative future scenarios that ensure the development of a more resilient portfolio and the achievement of the Company's strategic business objectives.

Risk and Opportunity Assessment:

Following the identification of risks and opportunities, Galp defines its risk appetite, indicating the type and level of risks the company is willing to accept to achieve its strategic and business objectives while ensuring compliance with regulatory and legal requirements.

The Risk Management Policy commits Galp to manage its inherent risk exposure in line with the Company's Risk Appetite, ensuring compliance with legal, regulatory, and ethical conduct requirements. The Board of Directors approves a Risk Appetite Statement, reviewed yearly to incorporate any changes in strategy and internal or external contexts. The risk appetite definition establishes performance limits around organisational strategic objectives, aiding management decisions and the adoption of appropriate mitigations.

For risk and opportunity assessment, Galp utilises a methodology providing a comprehensive view, classifying them qualitatively and quantitatively. Qualitative analysis considers risk criticality by multiplying the probability of occurrence by the impact in case of occurrence. Probability and impact are rated on a scale of very low to very high, being the impact assessed across eight dimensions: financial results, shareholder value, continuity of operations, environmental, reputational, quality, health and safety of individuals, and human capital, according to the effects of risk materialisation.

Quantitative analysis prioritises risks based on their monetary impact, using the Expected Financial Impact (EFI).

Annually, the Risk and Internal Control Management Department conducts an assessment of the Budget & Plan using multivariable tests, back-testing, and reverse stress testing on key risks impacting the underlying business model. This provides a holistic view of risk at the Galp level and an overall portfolio perspective in terms of risk/return.

Quarterly, the Risk and Internal Control Management Department reassesses the Galp global risk matrix, based on impact/probability matrices from organisational units, and reports to the Executive Committee, the Risk Management Committee, and the Audit Board. This allows for top-down and bottom-up awareness of key risks and opportunities.

Definition of Response Measures:

The Company defines both appropriate response measures to reduce the probability and/or impact of risks to levels within risk appetite and capture measures for opportunities.

Response types to risk, based on probability and impact comparison with risk appetite, include accept, mitigate, transfer, and avoid. For opportunities, the response includes defining actions to ensure their capture.

The Risk and Internal Control Management Department monitors the implementation of response measures and reports their status quarterly to the Executive Committee, the Risk Management Committee, and the Audit Board.

Monitoring and Reporting of Risks and Opportunities:

The Risk and Internal Control Management Department, along with Local Risk Officers (LROs), continually monitors opportunities, residual risks, and response measures' execution, ensuring their effectiveness in risk reduction. Simultaneously, it identifies changes in the internal and external environments that may affect previously identified risks/opportunities, enabling the Company to take appropriate response measures in a timely manner.

Additionally, the Risk and Internal Control Management Department provides periodic reporting to internal and external stakeholders, including the Risk Management Committee, consolidating exposure to risks/opportunities both in a consolidated and organisational unit-wise manner.

Supervision and Review:

Galp continuously evaluates the effectiveness of the risk management process in identifying, assessing, and managing risks/opportunities to which the company is exposed, adjusting it to changes in the internal and external environments.

The Risk Management Committee and the Audit Board of Galp are responsible for overseeing the risk management process. Quarterly reports from the Risk and Internal Control Management Department, including risk matrix reassessment and mitigation action status, allow them to oversee, supervise, and review the risk management process. Additionally, the main decisions and activities of the Risk Management Committee are communicated quarterly to the Audit Board.

The Internal Audit Department conducts a biennial audit of the risk management process and makes recommendations whenever improvements are deemed necessary.

The company conducts an annual dynamic review of the risk taxonomy to adapt it to changes in the internal and external environments or the company's strategy, incorporating new risks and risk factors.

The risk management standards undergo at least triennial reviews to align with international best practices or changes in the internal environment, improving the efficiency and effectiveness of the risk management process.

55. Core details of the internal control and risk management systems implemented in the Company for the financial information reporting procedure (Article 29(H)(1)(I)).

Galp has developed and implemented rules and procedures applicable to control activities for the preparation and communication of financial information. It prepares its accounts in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union. To address any situations not covered or inadequately covered by IAS/IFRS standards or SIC/IFRIC interpretations, Galp has an accounting manual following market best practices, which is applied internally as a complement to IFRS rules.

Recognising the technological dependence of these areas, Galp has characterised control activities for financial reporting concerning the use of supporting technologies (applications/information systems) and identified control activities for these technologies.

Documents disclosing financial information to capital markets are prepared by the Investor Relations & Sustainability Department, based on information provided by the Accounting and Tax, and the Planning & Performance Departments. Regarding semi-annual and annual accounts, the documents are submitted to the Board of Directors and the Audit Board for approval before disclosure.

Galp implemented a system (ICFR) to review, systematise, and document its internal control system regarding financial information to strengthen risk mitigation controls for financial information and maintain its position as a reference entity in terms of the reliability of its financial information.

In 2018, Galp developed and implemented an information system to monitor the registration of insiders and individuals with access to this information (permanent and occasional insiders), including financial information, in accordance with the requirements arising from the recent European legislative reform in this area (Market Abuse Regulation).

IV. Investor assistance

56 Department responsible for investor assistance, composition, functions, the information made available by this department, and its contact details.

The area responsible for supporting investors is the Investor Relations Department.

Composition

Director: Otelo Ruivo.

Team: João G. Pereira, Teresa Toscano, Tommaso Fornaciari and César Teixeira.

Main duties

The Investor Relations Department performs all the duties of the investor support office. This department reports directly to the Chief Financial Officer and its duties are to prepare, manage and coordinate all the activities that are required to achieve Galp's objectives for capital market relations, particularly with shareholders, institutional investors and financial analysts.

The Investor Relations Department is responsible for ensuring that the Company's communications with capital markets result is an integrated and consistent perception of Galp's strategy and operations, thereby providing investors with sufficient and up-to-date information to make informed decisions. To this end, the Investor Relations Department produces and provides relevant, clear and accurate information about Galp to the market and does so in a regular, transparent and timely manner, with a view to information symmetry.

The Investor Relations Department is also responsible for fulfilling statutory reporting obligations to the regulatory and market authorities, which includes drawing up reports disclosing Galp's results and the Group's activities, drafting and disclosing communications on inside information, providing the information requested by investors, financial analysts and other capital market participants, as well as providing support to the Executive Committee in aspects relating to Galp's status as an issuer of shares admitted to trading on a regulated market.

The Investor Relations Department monitors changes in the share prices of Galp and peer companies. It supports the management team by means of direct and regular contact with national and foreign financial analysts and institutional investors, either at conferences and collective presentations aimed at investors or in bilateral meetings.

Disclosed information

Galp's capital market communication policy aims to provide all the relevant information to allow reasoned judgements to be made about the evolution of the Company's activity, its expected and achieved results and the various risks and opportunities that may affect its activity.

With this in mind, Galp fosters transparent and consistent communication based on explanations of the criteria used in the provision of the information and clarification of the reasons for any amendments to it, in order to facilitate the comparison of the information provided in different reporting periods.

Strategy execution

The website provides information on the Company's activities and strategy, including information for capital markets and other stakeholders, including up-to-date information about strategic execution and future expectations.

Corporate governance

With this in mind, Galp fosters transparent and consistent communication based on explanations of the criteria used in the provision of the information and clarification of the reasons for any amendments to it, in order to facilitate the comparison of the information provided in different reporting periods.

Corporate governance

The website provides information on the Company's corporate governance, in compliance with the rules in force in the Portuguese market and in accordance with practices adopted by Galp.

Results

The Company discloses its results on a quarterly basis on dates priorly announced and included in its financial calendar.

The information disclosed to the market also includes a summary of the operating information for each quarter – the Trading Update – which is usually issued two weeks before the announcement of the quarterly results.

The quarterly results report and supporting documents are usually released before the market opens on the previously announced date. This is followed by a presentation where the Company management team covers the main points of the reported results and holds a Q&A session. In the following days, other supporting documents are also published, including an editable table of the results and the audio recordings and transcripts of the conference calls.

2023 corporate events calendar

Event	Date
4th Quarter 2022 Trading Update	30-01-2023
4th Quarter 2022 Results and Outlook	13-02-2023
Annual Report & Accounts 2022 (Audited)	03-04-2023
1st Quarter 2023 Trading Update	17-04-2023
Annual General Meeting	03-05-2023
1st Quarter 2023 Results	05-05-2023
2nd Quarter 2023 Trading Update	17-07-2023
2nd Quarter 2023 Results	31-07-2023
3rd Quarter 2023 Trading Update	16-10-2023
3rd Quarter 2023 Results	30-10-2023

2024 corporate events calendar (*)

Event	Date
4th Quarter 2023 Trading Update	29-01-2024
4th Quarter 2023 Results and Short-Term Update	12-02-2024
Annual Report & Accounts 2023 (Audited)	08-04-2024
1st Quarter 2024 Trading Update	15-04-2024
1st Quarter 2024 Results	30-04-2024
Annual General Meeting	10-05-2024
2nd Quarter 2024 Trading Update	08-07-2024
2nd Quarter 2024 Results	22-07-2024
3rd Quarter 2024 Trading Update	14-10-2024
3rd Quarter 2024 Results	28-10-2024

(*) dates subject to change.

Consensus

Galp publishes its quarterly, medium and long-term results as estimated by the analysts who cover the Company's share and discloses a summary of their recommendations on the share price.

Galp shares

The website includes a tab on Galp's share price historical info, comparisons with the evolution of the PSI index and peer companies' share prices. In addition, this tab of the website contains information about the Company's shareholding structure, including a description of the qualifying holdings and detailed past information about the payment of dividends.

Communication to the market

All the relevant information is disclosed preferably before the opening or after the closing of Euronext Lisbon daily market session, via CMVM's information disclosure system.

To facilitate access, the information is also provided, quickly and at no cost, to a non-discriminatory database. It is also sent by e-mail to all investors and other interested parties who have previously requested it.

The database currently includes over 2,140 contacts. The relevant information is disclosed simultaneously on the "Investors" tab of Galp's website, here. https://www.galp.com/corp/en/investors

Contacts

The Company holds videoconferences to announce its quarterly results and to provide strategy execution updates on the dates the results are released.

Galp fosters a close relationship with the financial community through regular and consistent communication of the Company's strategy and its implementation. This is done by the Investor Relations Department and, where appropriate, the management team, proactively and reactively, using various communication channels such as e-mail, telephone and video, among others, as well as holding and participating actively in meetings and conferences with institutional investors and analysts.

In 2023, Galp participated in 7 conferences and 9 roadshows. In total, including ad-hoc meetings and conference calls, the Investor Relations Department participated in more than 120 meetings with institutional investors, covering approximately 100 financial institutions in Europe, North America and Asia. Over 40% of these meetings were attended by at least one member of the Executive Committee, underlining the high level of the management team's commitment to communicating the Company's strategy and its implementation to capital markets. Finally, the Investor Relations Department hosts other recurrent interactions with other market agents, such as sell-side analysts, retail investors, regulators and other relevant stakeholders.

The Investor Relations team may be contacted through the email address investor.relations@galp.com and telephone +351 217 240 866.

57. Market liaison officer.

Galp's representative for market relations is Otelo Ruivo, Head of Sustainability & Investor Relations Department.

58. Information on the extent of and deadlines for replying to requests for information received throughout the year or pending from previous years.

To foster a close relationship with the capital markets community, the Investor Relations Department replies to information requests received by telephone or email.

Replies and clarification are provided as quickly as possible, but the response time depends on the nature and complexity of the issues in question. The transparency, symmetry and consistency of the available market information must be always assured.

V. Website

59. Address(es).

Galp publishes information on its website at https://www.galp.com/corp/en/.

60. Where to find information about the company, its status as an issuer of shares admitted to trading on a regulated market, registered office and other details referred to in Article 171 of the CSC.

The information listed in Article 171 of the CSC can be found on Galp's website at https://www.galp.com/corp/en/footer/contacts.

61. Where to find the By-laws and regulations of the boards and/or committees.

The By-laws of the Company and the regulations of the corporate bodies and committees establish their duties, powers and responsibilities, the chairmanship, the frequency of their meetings, their functioning and the duties of their members. These are available on the Company's website, as follows:

- By-laws: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Estatutos_EN_2024.01.02.pdf
- Board of Directors' Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Maio2023_alteracoes_eng/20230503%20BoD%20Regulations%20-%202023-2026_ENG.pdf
- Audit Board's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Conselho%20Fiscal/Regulamento%20Conselho%20Fiscal_EN_20230511.pdf
- Executive Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Maio2023_alteracoes_eng/20230503%20-%20EC%20Regulations_%20ENG.pdf
- Audit Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/Comiss%C3%B5es%202023-2026/Regulamento%20Comiss%C3%A3o%20Auditoria_EN.pdf
- Sustainability Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/Comiss%C3%B5es%202023-2026/Regulamento%20Comiss%C3%A3o%20Sustentabilidade_EN.pdf
- Risk Management Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/Comiss%C3%B5es%202023-2026/Regulamento%20Comiss%C3%A3o%20Gest%C3%A3o%20de%20Risco_EN.pdf
- Ethics and Conduct Committee Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Regulations-Ethics%20Conduct%20Committee_approved.pdf
- Remuneration Committee Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Regulamento%20Comissao%20de%20Remuneracoes_EN_2019.pdf

62. Where to find information on the names of members of the corporate bodies, the market liaison officer, the Investor Assistance Office or equivalent structure, their functions and contact details.

The information about the members of the corporate bodies is available on Galp's website at https://www.galp.com/corp/en/corporate-governance/governing-model-bodies

The information about the Investor Relations Department is available on Galp's website at https://www.galp.com/corp/en/investors/investor-support/investor-relations-team

In addition, the number of meetings held in 2023 by the corporate bodies and committees is available on Galp's website under the tab for each corporate body and committee.

63. Where to find the financial statements, which must be accessible for at least five years, and the half- yearly calendar of company events that is published at the beginning of every six-month period, including, among others, meetings of the General Meeting of Shareholders, disclosure of annual, half-yearly and, where applicable, quarterly accounts.

The financial statements are available for at least ten years on Galp's website at https://www.galp.com/corp/en/investors/reports-and-presentations/reports-

The calendar of corporate events is available on Galp's website at https://www.galp.com/corp/en/investors/investor-support/investor-calendar

64. Where to find the notice convening the General Meeting and all the related preparatory and subsequent information.

The notice convening the General Meeting and all the related preparatory and subsequent information are available on Galp's website at https://www.galp.com/corp/en/investors/information-to-shareholders/general-shareholders-meetings

65. Where to find the past resolutions of the meetings of the Company's General Meeting, the percentage of share capital represented and the voting results for the previous three years.

The record of the resolutions passed at the meetings of the General Meeting, the percentage of share capital represented and the voting results since 2007 can all be found on Galp's website at https://www.galp.com/corp/en/investors/information-to-shareholders/general-shareholders-meetings

D. Remuneration

I. Power to set remuneration

66. Details of the power to set the remuneration of the corporate bodies, the members of the Executive Committee or the Chief Executive Officer and the officers of the Company.

The Remuneration Committee is the corporate body responsible for setting the amounts of remuneration payable to the members of Galp's corporate bodies and its Executive Committee, on the basis of the remuneration policy in force, approved by the General Meeting on 3 May 2023. The Remuneration Committee comprises three shareholders elected at the General Meeting who are not members of the Board of Directors or the Audit Board, pursuant to Article 8 of the By-laws, which states that those positions are incompatible.

For the purposes of Article 29-R(3) of the CVM, the only persons who are classified as senior executives of Galp are the members of the Board of Directors and of the Audit Board.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including details of any natural or legal persons that have been recruited to provide services to it and a statement on the independence of each member and advisor.

Galp's current Remuneration Committee was elected for the 2023-2026 term at the General Meeting of 3 May 2023 and has the following members:

Amorim Energia B.V. (Chair);

Jorge Armindo Carvalho Teixeira;

Joaquim Alberto Hierro Lopes.

Joaquim Alberto Hierro Lopes was present at the 2023 Annual General Meeting in order to provide information and clarifications to shareholders on remuneration matters.

The fact that the non-executive directors Paula Amorim, Marta Amorim, Francisco Teixeira Rêgo, Rui Paulo Gonçalves and Jorge Seabra are members of Amorim Energia's Board of Directors does not affect the independence of Amorim Energia as member of the Remuneration Committee, since these members, individually or together, do not have the complete autonomy to make the decisions of the Board of Directors of Amorim Energia.

The Remuneration Committee Regulations set down an obligation for its members to promptly inform that body of any facts that may constitute or give rise to a conflict of interest between the interests of the member in question and the Company's interests.

In addition, the Company approved internal regulations which are applicable, among others, to the members of the Remuneration Committee and which establish that members who have been identified as being in a conflict of interest must refrain from discussing, voting, making decisions, giving opinions, taking part in or exerting any influence on any decision-making process directly related to this conflict of interest, except for providing any necessary information or clarifications.

In 2023, the Remuneration Committee held five meetings and minutes were drawn up of these meetings.

In 2023, the Remuneration Committee did not engage any consultancy services, despite having that possibility when it considers it necessary, under Article 6 (3) of its Regulations and subject to the applicable conditions.

68. The Remuneration Committee members' knowledge and experience of remuneration policy issues.

The members of the Remuneration Committee are familiar with remuneration policy matters owing to their academic background and extensive corporate experience. They are therefore considered suitable for discussing and deciding on all the matters that fall within the remit of the Remuneration Committee, as evidenced by their biographical data in the Appendices to this report.

Specifically, Remuneration Committee member Jorge Armindo Carvalho Teixeira has a long professional record that includes working in listed companies and holding management positions, including as chair, which has granted him the appropriate knowledge about remuneration issues for corporate bodies in this type of company.

III. Remuneration structure

69. Description of the remuneration policy for the Board of Directors and Audit Board provided for in Article 26-A.

The Remuneration Policy of the corporate bodies was submitted by the Remuneration Committee and approved by the General Meeting on 3 May 2023, outlining the processes for setting and implementing Galp's remuneration policy for 2023, as well as its general objectives and principles, in accordance with Law No. 50/2020, of 25 August, CVM and CMVM Regulation No. 4/2013 – which also takes into account the IPCG Corporate Governance Code. This policy is available on Galp's website at:
https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Maio2023_alteracoes_eng/Politica%20Remunera%C3%A7%C3%B5es%20-%20ENG.pdf

The 2023 Remuneration Policy for executive directors maintains the principles of the 2022 remuneration policy.

Galp is required under Article 26-E of the CVM to produce specific information on the remuneration structure of the members of the Companys corporate bodies. Galp approved its first remuneration policy under the terms of Article 26-B of the CVM in 2021 hence remunerations paid in 2023 and herein reported should be analysed in this context.

The remuneration policy, as per article 26-B of the CVM, was approved in the Annual General Meeting of 2023, with a clear majority of 95.23% of the issued votes. Hence, shareholders were generally satisfied with the terms of the remuneration policy. A brief description of Galp's Remuneration Policy in 2023 is provided below.

Board of Directors

Non-executive directors – fixed monthly sum set by the Remuneration Committee in line with standard market practices and paid twelve times a year. This may be different in the case of the Chair of the Board of Directors in recognition of his / her special duties to represent the Company and in the case of the non-executive directors who have special supervisory and monitoring duties or integrate specialised committees.

The remuneration of the non-executive directors does not include any amounts based on the performance or value of the Company, nor its value, nor any other additional benefits.

Executive directors – the remuneration of the executive directors in 2023 included three components: one fixed, one variable and a long-term incentive.

1. *Fixed remuneration* – monthly amount, paid fourteen times a year, set by the Remuneration Committee, taking into account the nature of the assigned duties and responsibilities and market practices for equivalent positions in comparable domestic and international companies.

2. *Variable remuneration* – The variable remuneration component, in the form of one-off payments, is determined by the Remuneration Committee and is dependent upon the achievement of certain economic, financial, operational and sustainability goals with a view of creating a competitive remuneration framework and to implement a system of rewards which ensure the alignment of the interest of the executive management with the interests of the Company and their respective stakeholders, from a long-term economic and financial sustainability perspective. The variable remuneration of executive directors includes two components:

a) *Annual variable remuneration* – the maximum potential cap represents 50% of the total variable remuneration, with the amount being set in line with the following indicators:

(i) Operating Cash Flow (OCF), with a weight of 65%;

(ii) Implementation of strategic objectives to be approved by the Board of Directors, with a weight of 10%;

(iii) Long Term Injury Frequency Rate (LTIFR), with a weight of 10%;

(iv) Galp's Own Scope 1 & 2 CO_2 Emissions and All Downstream Sales Carbon Intensity (Scope 1, 2 & 3), with a weight of 15%.

b) *Tri-annual variable remuneration* – the maximum potential cap represents 50% of the total variable remuneration, with the amount being set in line with the following indicators:

(i) Operational Cash Flow (OCF), with a weight of 55%;

(ii) Total Shareholder Return (TSR) Galp vs. Peer Group, with the Peer Group composed of companies Total, Repsol, OMV e ENI, as well as the indices PSI20TR e SXEGR, references of the national market and the European energy sector, respectively, with a weight of 25%;

(iii) Return on Average Capital Employed (ROACE), with a weight of 20%.

The above-mentioned indicators contribute in 65% to the definition of the annual and three-year variable remuneration applicable. The remaining 35% of each of the components of the variable remuneration alluded to the result of qualitative and individual assessment by the Remuneration Committee of the activity performed by the executive directors yearly or during the relevant three-year period, as the case may be, taking into consideration a holistic perspective not only of the results achieved, but also the context in which they were achieved.

3. *Long term incentive* – In order to ensure full alignment with Galp's project and, in particular, with long-term interests, the Company's economic and environmental sustainability concerns and the achievement of strategic objectives, the Remuneration Committee considered it necessary to create a specific long-term value creation incentive applicable to the members of the Executive Committee of Galp. Thus, in addition to the remuneration, benefits and conditions applicable, the remuneration of the members of the Executive Committee of Galp is part of a long-term incentive through the right to a set of Galp shares, attributable to after 4 years.

The number of shares provisionally allocated in each year will be calculated based on the average price of Galp shares in Euronext Lisbon during the 10 (ten) business days following the announcement to the market of the results of the preceding tax year, with the overall nominal value of these shares being equivalent, in the case of the Chairman of the Executive Committee of Galp, to 60% of their gross annual fixed remuneration, and, in the case of the other members of the Executive Committee, to 30% of their respective gross annual fixed remuneration.

The number of shares effectively attributed, at the end of the 4-year period, will be calculated by multiplying the number of provisional shares attributed by a performance factor, graded from 0 to 2.25, based on the following 3 categories, all with the same relative weight:

(i) Total Shareholder Return (TSR);

(ii) Peer ranking in terms of TSR and growth of Cash Flow From Operations, using EDP, Repsol, OMV, ENI and Total as a Peer Group;

(iii) the reduction of the CO_2 intensity in the products sold.

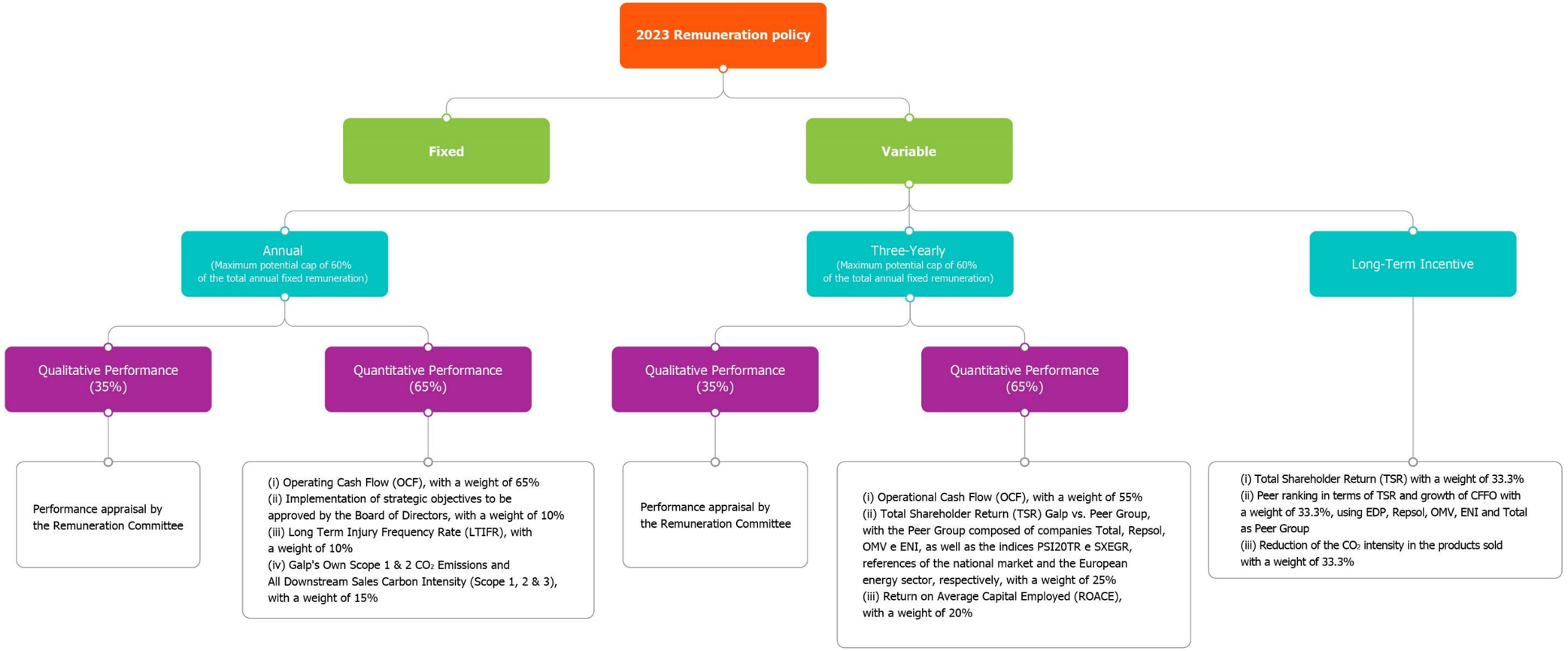
If the TSR is negative at the end of the 4-year period, the performance factor will correspond to zero in all categories. The value of the long-term incentive that is calculated may be liquidated through the delivery of shares or in cash, being, in any case, increased by an amount equivalent to the dividends distributed, by reference to the 4 years in question, corresponding to the number of shares effectively allocated.

Overall, this policy contributes to the achievement of the Company's strategy by defining assessment criteria (indicators defined by the Remuneration Committee) aligned with the Company's strategic goals, as detailed below:

Operating Cash Flow (OCF); Long Term Injury Frequency Rate (LTIFR) (annual); ROACE (multi-year); TSR vs. Peer Group (multi-year).

Indicators' targets based on Business Plan: to scale-up Galp's renewables business, to deliver growth from upstream assets and accelerate the transformation of industrial and commercial activities, both underpinning a balanced capital allocation framework to enhance its portfolio and deliver a competitive shareholder return. The remuneration policy is thus clear and understandable, contributes to the company's business strategy, its long-term interests and its sustainability.

The remuneration structure of the executive directors is as follows:



Other benefits

The executive directors are entitled to a retirement savings plan or other similar financial product paid by Galp.

Each executive member of the Board of Directors also receives the fringe benefits available at Galp for the corresponding position, in accordance with the Company's terms and conditions, including the use of a vehicle and paid health, life and occupational accident insurances, more fully detailed in the Remuneration Policy.

For executive directors whose permanent residence is outside the area where the Company is based, the Remuneration Committee sets a housing allowance.

In the case of a court ruling against one or more members of the Executive Committee for unlawful action which results or has resulted in a restatement or impairment of the financial statements in terms detrimental to the Company, the Remuneration Committee may ask the Board of Directors to adopt the adequate measures to clawback the variable remuneration paid to the member or members in question that it deems appropriate for the period of the said unlawful action.

Without prejudice to the information contained in paragraph 77 below related to amounts paid to directors as compensation for early termination from office, there were no divergent situations from the rules for implementing the remuneration policy.

Audit Board

The remuneration for the members of the Audit Board and the Statutory Auditor of the Company is based on the national and international market practice and is aligned with the interests of the Company and its stakeholders.

The remuneration of the members of the Supervisory Board amounts to a fixed monthly remuneration, paid 12 times a year, being the remuneration of its chairman different from that the remaining Supervisory Board members, considering the specific functions performed by such member.

The remuneration of the Supervisory Board members does not include any component dependent on the Company's performance or value or any additional benefits. The Statutory Auditors' remuneration rewards the review and legal certification of the Company's accounts and is in line with market conditions as proposed by the Audit Board.

Statutory Auditor

The Statutory Auditor is remunerated for the review and legal certification of the Company's accounts in the amount established by contract in accordance with market conditions.

Board of the General Meeting

The remuneration of the Board of the General Shareholders Meeting corresponds to a fixed annual amount defined by the Remuneration Committee and is different for the Chairman, Vice-chairman, and the Board Secretary, in line with the practices observed in the market.

70. Information on how remuneration is structured so as to enable the interests of the members of the Board of Directors to be aligned with the Company's long-term objectives, as well as information on how it is based on the performance appraisal and how it discourages excessive risk-taking.

In order to achieve greater alignment between the activities of the directors and the Company's long-term objectives, a policy for establishing multi-annual goals was introduced in 2012, reinforced in 2019 and maintained in 2020, 2021, 2022 and 2023.

According to the remuneration policy described in paragraph 69 of this report, the variable remuneration of directors holding executive positions includes annual and three-year variable components, with the same weighting (each with a maximum potential cap of 60% of the total annual fixed remuneration). This weighting is based on the performance appraisal conducted by the Remuneration Committee using specific, measurable and pre-defined criteria which, together, take into account the Company's sustainability and growth indicators and the wealth that has been created for shareholders in a sustained manner over the short, medium and long term, with a three-year time lag in relation to the year in question in the case of the multi-annual component, under the terms of the 2023 Remuneration Policy described above.

Accordingly, the use of qualitative criteria oriented towards a strategic medium-term perspective in the development of the Company, the three-year period used for setting the multi-annual variable remuneration amount and the existence of a cap on variable remuneration are all key elements in fostering management that is aligned with the medium and long-term interests of the Company and its shareholders.

Executive directors may not enter into contracts, either with the Company or with third parties, which have the effect of mitigating the risk inherent to the variable remuneration set for them by the Company.

In addition, the remuneration of the Executive Committee includes a long-term incentive through the right to Galp shares, attributable after four years.

Taking into consideration the remuneration structure described above, particularly the balance between fixed and variable remuneration, the existence of both annual and three-year variable remuneration and the criteria for determining the variable remuneration, Galp considers that its remuneration mechanism permits an alignment between the interests of the Company and those of its executive directors by incentivising long-term sustainable growth and avoiding short-termism as well as excessive risk taking.

The table hereunder provides the annual change in the remuneration of directors, Company performance and average remuneration of employees during the last five financial years as referred in the Article 26-G(2)(c) of the CVM:

Annual Variation	2019 vs 2018	2020 vs 2021	2021 vs 2020	2022 vs 2021	2023 vs 2022
Executive Directors					
Filipe Silva[1]	-0.7%	4.6%	-16.9%	12.1%	93.2%
Georgios Papadimitriou	-	-	-	-	16.6%
Maria João Carioca[2]	-	-	-	-	-
Ronald Doesburg[2]	-	-	-	-	-
Rodrigo Vilanova[2]	-	-	-	-	-
João Diogo[2]	-	-	-	-	-
Ex-Executive Directors					
Andy Brown	-	-	-	47.2%	-88.0%
Thore E. Kristiansen	0.3%	4.1%	-16.2%	15.6%	-50.6%
Teresa Abecasis	-	-	-	147.1%	-44.1%
Carlos Gomes da Silva	1.3%	5.0%	120.4%	-99,0%	0.0%
Carlos Costa Pina	-0.7%	4.6%	-16.9%	77.2%	-
José Carlos Silva	-5.3%	6.1%	55.9%	-93.4%	-
Sofia Tenreiro	-	80.2%	34.3%	-40.9%	-
Susana Quintana-Plaza	-	58.3%	32.1%	-42.7%	-
Non-Executive Directors					
Paula Amorim[3]	-	-	-	-	-
Marta Amorim	10.3%	-9.3%	0.0%	0.0%	0.0%
Francisco Teixeira Rêgo	10.3%	-9.3%	0.0%	0.0%	0.0%
Jorge Seabra	71.9%	16.3%	0.0%	0.0%	0.0%
Rui Paulo Gonçalves	71.9%	16.3%	0.0%	0.0%	0.0%
Diogo Tavares	71.9%	16.3%	0.0%	0.0%	0.0%
Carlos Pinto	-	39.0%	0.0%	0.0%	7.4%
Cristina Fonseca[4]	-	39.0%	204.0%	-61.2%	38.3%
Adolfo Mesquita Nunes	-	158.9%	-6.0%	0.0%	0.0%
Javier Cavada Camino	-	-	-	2380.0%	-6.9%
Cláudia Almeida e Silva[5]	-	-	-	-	104.5%
Ana Zambelli	-	-	-	-	-
Fedra Ribeiro	-	-	-	-	-
Ex-Non-Executive Directors					
Miguel Athayde Marques[6]	15.4%	5.2%	0.0%	0.0%	-65.9%
Luís Todo Bom[6]	82.2%	17.6%	0.0%	0.0%	-65.9%
Edmar de Almeida[6]	-	39.0%	0.0%	0.0%	-65.9%

Annual Variation	2019 vs 2018	2020 vs 2021	2021 vs 2020	2022 vs 2021	2023 vs 2022
Company Performance					
Cash Flow from Operations	+19% YoY	-46% YoY	+73% YoY	2.4% YoY	N/A
Energy Production Growth	+14% YoY	+10% YoY	+2.6% YoY	-2.9% YoY	N/A
Lost Time Injury Frequency Rate	N/A	N/A	N/A	20.1% vs. avg. 5 year	
Carbon Intensity Index	-0.1% YoY	-0.3% YoY	-1.4% YoY	0.6% YoY	N/A
TSR Galp vs. Peer Group	N/A	N/A	-13 p.p.	-10.1 p.p.	-3.2 p.p.
3Y CFFO vs. 2020	N/A	N/A	-17% vs. 3Y CFFO	-33% vs. 3Y CFFO	-27%
3Y ROACE vs. 2020	N/A	N/A	-7 p.p.	-7.28 p.p.	-9.02 p.p.
OCF 2023 vs BP OCF (approved in Dec. 22)	N/A	N/A	N/A	N/A	36%
# Strategic Milestones reached	N/A	N/A	N/A	N/A	90%
Galp Absolute CO_2 Emissions (Target vs 2017)	N/A	N/A	N/A	N/A	-35.2%
All Downstream sales carbon intensity (Target vs 2017)	N/A	N/A	N/A	N/A	-3.8%
Average remuneration on a full-time equivalent basis of employees					
Employees of the Company[7]	N/A	N/A	N/A	N/A	N/A
Employees of the Group	1.7%	-0.8%	3.8%	6.0%	5,7%

[1] CEO on 1 January 2023.
[2] Executive Directors only joined the Board on 3rd May 2023
[3] The Chair of the Board of Directors has decided to relinquish her remuneration, directing it instead to Galp Foundation.
[4] Cristina Fonseca was absent on maternity leave between November 2021 and March 2022 (during this period, the remuneration was paid by Social Security).
[5] Cláudia Almeida e Silva only joined the Board of Directors on 29 April 2022.
[6] Leave on 4th May 2023
[7] The Company does not have employees.

71. Reference, where applicable, to any variable remuneration component and information regarding any impact of the performance appraisal on this component.

The total variable remuneration for each year is set by the Remuneration Committee based on the fulfilment of pre-defined indicators.

The above-mentioned indicators contribute 65% of the applicable annual and three-year variable remuneration.

The remaining 35% of each variable remuneration component results from the Remuneration Committee's qualitative appraisal of the executive directors' annual activity or over the relevant three-year period, as the case may be, within the context of appropriate carbon-intensity management.

In order to ensure consistency between the release of cash flow and the total variable remuneration paid, this is dependent on Galp's cash flow from operations. Thus, if Galp's cash flow from operations is lower than 80% of the targets for the respective year, no variable remuneration will be paid.

The three-year variable remuneration represents a potential cap of 50% of the total variable remuneration, which is in line with generally recognised practices in the national market and with the applicable framework for banking institutions. The remuneration of the Executive Committee also includes a long-term incentive as mentioned in paragraph 73.

The determination of the annual and the three-year variable remuneration may consider adjustments that are reasonable regarding exogenous factors and unforeseen economic decisions, as well as those necessary to ensure comparability, that is appropriate to encourage management objectives, as previously defined by the Remuneration Committee.

72. Deferred payment of the variable remuneration component and the relevant deferral period.

In order to best stimulate the alignment of the executive directors' practices with the Company's long-term sustainable interests, a multi-annual objective policy was introduced in 2012 to come into force in 2013. This policy defers, for a period of three years, a significant portion of the variable remuneration payment, which remains associated with and dependent on the performance of the Company during this period and is in line with Recommendation VI.2.9. of the IPCG Corporate Governance Code, which also recommends a payment deferral of at least three years.

Each year, objectives are set for the following three-year period, with the three-year appraisal being made at the end of such period. The first three-year period for which multi-annual objectives were set was 2013–2015. In 2023, the 2020–2022 three-year period was assessed, and no remuneration was attributed or paid.

The three-yearly variable remuneration is set annually by the Remuneration Committee, which establishes a provisional amount based on an assessment of each year of the three-year period. However, the actual deferred amount of the three-year variable remuneration depends on: (I) the fulfilment of the overall objectives for the three-year period in question; and (II) a qualitative appraisal conducted by the Remuneration Committee, which means that the provisional amounts set in the first year of the three-year period may be reduced or increased at the end of the three-year period in question, as a result of the appraisal.

73. Criteria on which the allocation of variable remuneration in shares is based, as well as the criteria for the executive directors to keep these shares and for entering into contracts in respect of these shares, including hedging or risk transfer contracts, the corresponding limit and the proportional relationship to the total annual remuneration.

The remuneration of the Executive Committee includes a long-term incentive through the right to receive for free an amount of Galp shares, attributable after four years.

For 2021 and 2022, 60,329 shares (2021) and 56,737 shares (2022) were provisionally allocated to the former Chairman of the Executive Committee, Andy Brown, with the number of shares actually allocated resulting from the application of a performance factor, to be determined in 2024 after the presentation of the accounts for 2023 for the shares provisionally allocated in 2021 and in 2025 after the presentation of the accounts for 2024 for the shares provisionally allocated in 2022.For 2023, 50,727 shares are provisionally allocated to the current Chairman of the Executive Committee, Filipe Silva, and 10,871 shares to each of the other current members of the Executive Committee, with the number of shares actually allocated to each of them resulting from the application of a performance factor, which will be calculated in 2027 after the presentation of the accounts for 2026.

Please see below a summary of the conditions to the exercise of the right to receive shares in the future.

The number of shares provisionally allocated in each year will be calculated based on the average price of Galp shares in Euronext Lisbon during the 10 (ten) business days following the announcement to the market of the results of the preceding tax year, with the overall nominal value of these shares being equivalent, in the case of the Chairman of the Executive Committee of Galp, to 60% of their gross annual fixed remuneration, and, in the case of the other members of the Executive Committee, to 30% of their respective gross annual fixed remuneration.

The number of shares effectively attributed, at the end of the 4-year period, will be calculated by multiplying the number of provisional shares attributed by a performance factor, graded from 0 to 2.25, based on the following 3 categories, all with the same relative weight:

(i) Total Shareholder Return (TSR);

(ii) Peer ranking in terms of TSR and growth of Cash Flow From Operations, using EDP, Repsol, OMV, ENI and Total as a Peer Group;

(iii) the reduction of the CO_2 intensity in the products sold

Performance is evaluated, regarding the first category, by applying a compound formula that considers the variation of the Galp share price and the value of dividends distributed per share over the 4 reference years. The evaluation of the second category, in turn, is carried out by comparing the performance of the Company in the two sub-indicators with the aforementioned Peer Group.

Finally, the assessment of the third category is made by reference to the CO_2 intensity reduction goals in force.

If the TSR is negative at the end of the four-year period, performance factor will correspond to zero in all categories.

The value of the long-term incentive that is calculated may be liquidated through the delivery of shares or in cash, being, in any case, increased by an amount equivalent to the dividends distributed, by reference to the 4 years in question, corresponding to the number of shares effectively allocated.

In addition to the long-term incentive applicable to the members of the Executive Committee, the payment of the remaining variable remuneration may be partially carried out through plans for the attribution of shares or options for the acquisition of shares, or other payment models, to be approved in the internal regulations by the Remuneration Committee which, in the first case, must establish, among others, the number of shares or stock options granted, and

the main conditions for the exercise of the respective rights, including the price and date of that exercise and any alteration of these conditions.

74. Criteria on which the allocation of variable remuneration in options is based and the details of the deferral period and price at which these are exercised.

Galp currently has no system for allocating variable remuneration in options or other financial instruments directly or indirectly depending on its value.

75. Key factors and grounds for any annual bonus scheme and any other non-pecuniary benefits.

Galp has no established annual bonus scheme apart from the variable remuneration described above.

For executive directors whose permanent residence is outside the area where the Company is based, the Remuneration Committee shall set a housing allowance. Executive directors are also granted the following non-pecuniary benefits: the use of a fuelled vehicle and the respective maintenance and insurance, mobile phone, iPad and laptop, health insurance, life insurance and occupational accident insurance. These nonpecuniary benefits have corresponded to a percentage between 5% and 10% of total remuneration.

76. Key characteristics of supplementary pension or early retirement schemes for directors and the date on which the individual schemes were approved by the General Meeting.

The Remuneration Committee, under Article 8 of the By-laws, has the power to approve the pension or additional pension that is attributed to the executive directors and paid by the Company.

The 2023 Remuneration Policy approved by the General Meeting and described in paragraph 69 of this report provides for a savings retirement product or other similar financial product to be attributed through a payment to be made by Galp.

This savings plan entails no future costs for Galp as it consists only of an amount to be attributed for financial investment for so long as the members of the Executive Committee hold office and it does not fall within Article 402(1) of the CSC.

IV. Remuneration disclosure

77. Details of the amount of annual remuneration earned, in total and individually, by the members of the Board of Directors and paid by the Company, including fixed and variable remuneration and, as regards the latter, the different components that gave rise to the same.

This paragraph refers to article 26-G(2)(a) of the CVM and includes all remuneration awarded and due to the members of the Board of Directors and paid by the Company in 2023, as per the table below:

The table below shows the itemised gross individual remuneration paid during 2023 to each member of the Board of Directors:

Executive Directors — EUR[1]

Name	Position	Gross fixed remuneration	Gross variable annual remuneration (2022)[2]	Gross variable multiannual (triennium 2020-2022)[3]	Gross Retirement Savings Plan	Others[4]	Gross total remuneration	Proportion of fixed and variable remuneration (FR/VR)[1]
Current Executive Directors								
Filipe Silva[5]	CEO	980,000	93,900	0	245,000	0	**1,318,900**	93% / 7%
Georgios Papadimitriou	Executive Director	420,000	93,900	0	105,000	138,788	**757,688**	88% / 12%
Maria João Carioca	Executive Director	279,883	0	0	69,971	0	**349,854**	100% / 0%
Ronald Doesburg	Executive Director	246,591	0	0	61,648	0	**308,239**	100% / 0%
Rodrigo Vilanova	Executive Director	279,883	0	0	69,971	46,003	**395,857**	100% / 0%
João Diogo	Executive Director	279,883	0	0	69,971	0	**349,854**	100% / 0%
Ex-Executive Directors								
Andy Brown[6]	EX-CEO	0	219,100	0	0	0	**219,100**	0% / 100%
Carlos Gomes Da Silva	EX-CEO	0	0	0	0	80,877	**80,877**	100% / 0%
Thore Kristiansen	Ex-Executive Director	190,054	109,550	0	62,158	132,547	**494,309**	78% / 22%
Teresa Abecasis	Ex-Executive Director	162,903	93,900	0	53,278	50,209	**360,290**	74% / 26%
Total		**2,559,313**	**610,350**	**0**	**667,025**	**448,423**	**4,596,956**	**N/A**

[1] Rounded figures.
[2] Corresponds to the gross variable remuneration related to the previous year.
[3] Corresponds to the gross variable remuneration related to the previous triennium.
[4] Under "Others" are included benefits such as house allowance, school allowance and other exit costs.
[5] Filipe Silva performed his functions as executive director and CFO until 31 December 2022. Following Andy Brown's resignation, with effects from 31 December 2022, Filipe Silva was appointed CEO by the Board of Directors with effects from 1 January 2023, accumulating temporarily with the position of CFO.
[6] Andy Brown resigned as CEO with effects from 31 December 2022.

Non-Executive Directors		EUR[1]
Name	Position	Gross fixed remuneration
Current Non-Executive Directors		
Paula Amorim[1]	Non-Executive Chairman	0
Marta Amorim	Non-Executive Director	48,000
Francisco Teixeira Rêgo	Non-Executive Director	48,000
Jorge Seabra De Freitas	Non-Executive Director	78,000
Rui Paulo Gonçalves	Non-Executive Director	78,000
Diogo Tavares	Non-Executive Director	78,000
Carlos Pinto	Non-Executive Director	90,194
Cristina Fonseca	Non-Executive Director	78,194
Adolfo Mesquita Nunes	Non-Executive Director	84,000
Javier Cavada	Non-Executive Director	78,194
Cláudia Almeida E Silva	Non-Executive Director	66,000
Ana Zambelli	Non-Executive Director	58,000
Fedra Ribeiro	Non-Executive Director	49,742
Ex-Non-Executive Directors		
Miguel Athayde Marques	Ex-Non-Executive Director	34,823
Luis Todo Bom	Ex-Non-Executive Director	30,726
Edmar De Almeida	Ex-Non-Executive Director	28,677
Total		**952,805**

[1] The Chairwoman of the Board of Directors has decided to relinquish her remuneration, directing it instead to Galp Foundation.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship or under common control.

The remuneration of Galp directors includes all the remuneration owed in respect of their positions on management bodies of Galp Group companies, taking into account the definition of group as provided for in Article 2(1)(g) of Decree-Law No. 158/2019, of 13 July. Accordingly, no amounts were paid in this respect by companies in a control or group relationship or under common control.

79. Remuneration paid in the form of profit-sharing and/or bonus payments and the reasons why bonuses and/or profit-sharing were awarded.

Galp has no other remuneration system for its directors in the form of profit-sharing and/or payments of bonuses.

80. Severance paid or owed to former executive directors in respect of the termination of their duties during the financial year.

The Remuneration Policy makes no provision for an indemnity or severance pay to be awarded to directors for termination of their duties, without prejudice to the laws in force on this matter and, therefore, no director may claim a larger amount of compensation or indemnity than that resulting from the provisions of the law.

The Remuneration Policy and the resolutions of the Remuneration Committee are the appropriate and necessary legal instruments for determining the non- claimable nature of such amounts.

81. Details of the annual remuneration earned, in total and individually, by the members of the Company's supervisory body, for the purposes of Law 50/2020, of 25 August.

The aggregate remuneration paid to the members of the Audit Board in 2023, as per the terms set by the Remuneration Committee, was € 144,000.00.

The individual remuneration amounts paid in 2023 to the current members of the Audit Board were as follows:

Name/Position	Gross fixed remuneration (EUR)
José Pereira Alves (Chair)	60,000
Maria de Fátima Geada (Member)	42,000
Pedro Antunes de Almeida (Member)	42,000

As provided for in Article 26-G(2)(b) of the CVM, the table below provides the annual variation in the remuneration of the members of the Audit Board, Company's performance and average remuneration of employees during the last five financial years.

Annual Variation	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022
Remuneration of the Members of the Audit Board					
José Pereira Alves	-	39.0%	0.0%	0.0%	0.0%
Pedro Antunes de Almeida	48.0%	12.6%	0.0%	0.0%	0.0%
Maria de Fátima Geada	-	39.0%	0.0%	0.0%	0.0%
Company Performance					
Cash Flow from Operations	+19% YoY	-46% YoY	+73% YoY	2.4% YoY	N/A
Energy Production Growth	+14% YoY	+10% YoY	+2.6% YoY	-2.9% YoY	N/A
Total Recordable Injury Rate	-39% vs. avg. 5 year	-57% vs. avg. 5 year	-12% vs. avg. 5 year	N/A	N/A
Lost Time Injury Frequency Rate	N/A	N/A	N/A	20.1% vs. avg. 5 year	0
Carbon Intensity Index	-0.1% YoY	-0.3% YoY	-1.4% YoY	0.6% YoY	N/A
TSR Galp vs Peer Group	N/A	N/A	-13 p.p.	-10.1 p.p.	-3.2 p.p.
3Y CFFO vs. 2018	N/A	N/A	-17% vs. 3Y CFFO	-33% vs. 3Y CFFO	-27%
3Y ROACE vs. 2018	N/A	N/A	-7 p.p.	-7.28 p.p.	-9.02 p.p.
Average remuneration on a full-time equivalent basis of employees					36%
Employees of the Company[1]	N/A	N/A	N/A	N/A	N/A
Employees of the Group	1.7%	-0.8%	3.8%	6.0%	5.7%

[1] The Company does not have employees.

82. Details of the remuneration of the Chair of the General Meeting in the year of reference.

In 2023, the Chair of the Board of the General Meeting received € 3,000.00 in remuneration.

V. Agreements with implications for remuneration

83. Any established contractual limits on the indemnity payable for the unfair dismissal of directors and its relationship with the variable component of the remuneration.

Galp has no agreements in place that provide for payments in the event of the unfair dismissal of a director. The amounts due are determined by the applicable statutory provisions, but no remuneration is paid in respect of the variable component (excluding CEO's long-term incentive) if the cash flow from operations of Galp Group is below 80% of the annual target.

For details on the severance amounts paid in 2023, please refer to paragraphs 77 and 80.

84. Reference to the existence and description, with details of the sums involved, of agreements between the Company and the members of the Board of Directors and senior managers, within the meaning of Article 29-R(1), which make provision for severance pay in the event of resignation, unfair dismissal or termination of employment following a takeover bid (Article 29-H(1)(k)).

Galp is not a party to any agreement with the members of the Board of Directors or senior managers, within the meaning of Article 29-R(1) of the CVM, which provides for a future severance pay in the event of resignation, unfair dismissal or termination of the employment relationship following a takeover bid.

VI. Share and/or stock option plans

85. Details of the plan and the beneficiaries.

Galp has no stock option plans.

86. Characteristics of the plan (eligibility, non-transferability of share clauses, criteria for share pricing and exercising the price options, a period during which the options may be exercised, characteristics of the shares or options to be awarded and the existence of incentives to purchase shares and/or exercise options).

As mentioned, Galp has no stock option plans.

With reference to the above-mentioned mechanism applicable to the members of the Executive Committee for partial payment of the long-term incentive through shares of the Company: the shares will be received (and can only be transferred) at the end of the four-year plan and after the performance evaluation.

In addition to the long-term incentive, the payment of the remaining variable remuneration may be partially carried out through shares or stock options plans, or other payment methods, to be approved in internal regulations by the Remuneration Committee, which in the first case must establish, inter alia, the number of shares or stock options granted, and the main conditions for the exercise of the respective rights, including the price and date of that exercise and any change in those conditions.

87. Stock option plans for the Company's employees and staff.

Galp has no share option plans.

88. Control mechanisms envisaged for a possible employee-shareholder system since voting rights are not directly exercised by these employees (Article 29-H(1)(e)).

Galp has no employee-shareholder system.

E. Related parties transactions

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (For said purpose, reference is made to the concept resulting from IAS 24).

In order to safeguard Galp Group's interests in situations involving potential conflicts of interest, Galp has adopted internal rules for controlling transactions between Galp (or its subsidiaries or other companies which are under its management control, i.e., "Galp Group entities") and related parties in order to comply with the relevant laws and accounting standards, in particular IAS 24.

This internal standard imposes the following principles:

(I) any contractual commitment and any legal act between any Galp Group entities and any related party must be carried out within the current activity of the Galp Group entity concerned and at arm's length;

(II) the execution by any Galp Group entities and a related party of any relevant transactions (as described below) requires the approval of the Executive Committee or the Board of Directors and the prior opinion of the Audit Board (see paragraph 91 below for further details about the applicable procedure);

(III) all other transactions with related parties are verified afterwards and periodically by the Audit Board.

To this end, relevant transactions include, in particular: (I) financial investments, funding, shareholder's loans, providing guarantees, the acquisition, sale, marketing or supply of products and services, as well as the acquisition, sale, marketing or supply of energy products and/or related products and services other similar transactions with a financial value exceeding €10 million (with certain exceptions); (II) acquisition or disposal of shareholdings or other assets; (III) transactions not carried out in the ordinary course of business of the Galp Group entity concerned or under normal market conditions; and (IV) any other transactions with a high risk of conflict of interest.

90. Details of transactions that were subject to control during the reference year.

In 2023 there was one related-party transaction subject to the previous control of the Audit Board.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

For Galp to engage in transactions with related parties, as defined by IAS 24, it requires the prior opinion of the Audit Board, in accordance with the law and internal standard entitled "Galp Group Transactions with Related Parties", in order to safeguard Galp Group's interest in potential conflict-of-interest situations, without prejudice to compliance with the law. This internal standard is available here.

The Company Secretary submits the proposals received from the business units or corporate centre for any relevant related-party transaction to the Audit Board for its prior opinion, together with the supporting information, including, in particular, its financial value, the contractual formation procedures that are to be adopted and a demonstration that the transaction conditions are in line with the current activity of the Galp Group entity concerned and normal market conditions, and, in the case of transactions that are not carried out in the ordinary course of business of the Galp Group entity concerned and/or that are not carried out under normal market conditions, this must be stated and grounds must be included as to the fair and reasonable nature of the transaction from the point of view of the Company and the unrelated shareholders, including minority shareholders.

The Audit Board must issue a prior opinion within five business days.

In urgent and unusual cases, approved in advance and duly justified in accordance with the applicable approval rules, when it is not feasible or possible to obtain the favourable prior opinion of the Audit Board without a loss of significant value in the relevant transaction for Galp Group, the opinion must be requested immediately afterwards, with the exception of transactions not carried out in the current activity of the Galp Group entity concerned or under normal market conditions.

If the Audit Board issues a negative prior opinion, the Board of Directors of the relevant Group company may decide to go forward with the transaction, on the grounds that it is in pursuit of the corporate interests of Galp or of the Galp Group entity (with the exception of the transactions that are not carried out in the ordinary course of business of the Galp Group entity concerned or under normal market conditions), and such negative opinion should be disclosed, where applicable.

Related-party transactions that are not subject to prior opinion are communicated to the Audit Board on a six-monthly basis, in order to confirm that they were carried out in the ordinary course of business of the relevant Galp Group entity and under normal market conditions, with the related parties not taking part in the relevant verification.

II. Transaction data

92. Where to find the financial statements, including information on transactions with related parties, in accordance with IAS 24 or, alternatively, reproduction of this information.

Information on any related-party transactions, in accordance with IAS 24, is available in Note 29 to the Consolidated Accounts.

Corporate governance assessment

I. Identification of the Corporate Governance Code adopted

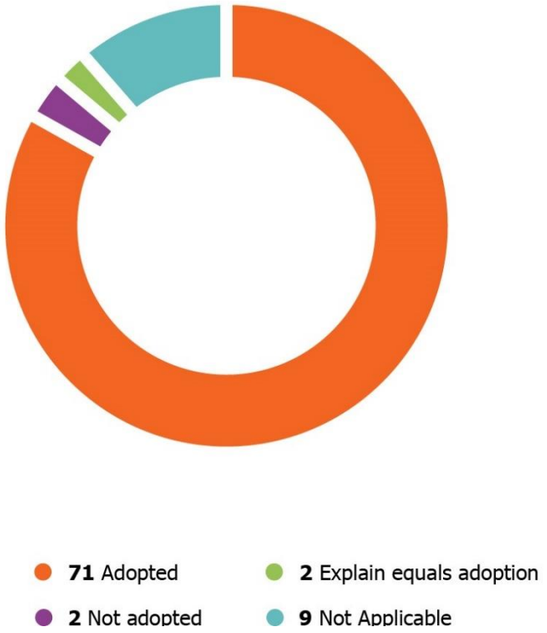
For the purposes of Article 2 of CMVM Regulations No. 4/2013, Galp voluntarily decided to follow the IPCG Corporate Governance Code, as approved in 2018 and reviewed in 2020 and available on its website at Códigos de Governo (cgov.pt).

II. Analysis of compliance with the adopted Corporate Governance Code

The Company has adopted 71 recommendations, 2 explained that equals adopted, 2 not adopted and 9 are not applicable, of the IPCG Corporate Governance Code.

The justification for the adoption of each recommendation (or sub-recommendation, if split) and the reference to the paragraph or paragraphs of the chapter in this report where the matter is addressed (Paragraph) are given in the table below, including an explanation as to why a certain recommendation was not adopted or is not applicable, as well as an indication of any alternative mechanism selected by the Company to pursue the same objective as the relevant recommendation (*explain* is equivalent to *comply*).

The classifications highlighted below already take into account the assessment conducted by the Oversight and Monitoring Executive Committee of Galp's Governance Report for 2021.



IPCG Recommendation	Comply or explain	Relevant paragraph of this report
Chapter I Company's relationship with shareholders, stakeholders and the community at large		
I.1.(1) The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives.	Adopted	Management Report Part I – 2. Strategic Framework
I.1.(2) The company specifies what are the main contributions resulting from its strategy for the community at large.	Adopted	Management Report Part II – Sustainability Journey (3. Boost a just transition for all – Empower communities through social investment)
I.2.(1) The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental objectives.	Adopted	Management Report Part IV – 1. Non-financial consolidated information (I. Information on adopted policies)
I.2.(2) The company identifies the main policies and measures adopted with regard to the fulfilment of its social objectives.	Adopted	Management Report Part IV – 1. Non-financial consolidated information (I. Information on adopted policies)
Chapter II · Composition and functioning of the corporate bodies		
II.1 Information		
II.1.1 The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	Adopted	Paragraphs 38, 56 and 59 to 65
II.2 Diversity in the Composition and Functioning of the Corporate Bodies		
II.2.1. The company establishes, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.	Adopted	Paragraph 19
II.2.2. (1) The management body is governed by regulations – notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the company.	Adopted	Paragraph 61
II.2.2. (2) *Idem* concerning the supervisory body.	Adopted	Paragraph 61
II.2.2. (3) *Idem* concerning internal commissions of the management and supervisory bodies.	Adopted	Paragraph 51
II.2.2. (4) Minutes of the management body meetings shall be drawn up.	Adopted	Paragraph 23
II.2.2. (5) *Idem* concerning the supervisory body.	Adopted	Paragraph 35

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
II.2.2. (6) *Idem* concerning the meetings of the internal commissions of the management and supervisory bodies.	Adopted	Paragraph 29
II.2.3. (1) The composition for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	Adopted	Paragraph 62
II.2.3. (2) The number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	Adopted	Paragraph 62
II.2.4. (1) The company adopts a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication, as set forth in the applicable law.	Adopted	Paragraph 49
II.2.4. (2) The company adopts an internal reporting channel that also includes access for non-employees, as set forth in the applicable law.	Adopted	Paragraph 49
II.2.5. (1) The Company has a specialised committee for matters of corporate governance.	Non Adopted	
II.2.5. (2) *Idem* for matters of remuneration.	Adopted	Paragraph 29
II.2.5. (3) *Idem* for matters of appointments of members of the corporate bodies.	Non Adopted	
II.2.6. (4) *Idem* for matters of performance assessment.	Adopted – The Remunerations Committee performs annual assessment of the members of the Executive Committee	III. Remuneration structure
II.3. Relationships between the corporate bodies		
II.3.1. The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.	Adopted	Paragraph 15 and 38
II.3.2. Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.	Adopted	Paragraph 15, 29 and 38
II.4. Conflicts of interest		
II.4.1. By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.	Adopted	Paragraph 15, 29 and 38
II.4.2. The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.	Adopted	Paragraph 26, 38 and 67

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
II.5 Transactions with Related Parties		
II.5.1. The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.	Adopted	Paragraph 26, 89 and 91
Chapter III Shareholders and General Meeting		
III.1 (1) The company does not set an excessively large number of shares to be entitled to one vote.	Adopted	Paragraph 5 and 12
III.1 (2) The company informs in the corporate governance report of its choice whenever each share does not carry one vote.	Not applicable	
III.2 The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.	Not applicable	
III.3 The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.	Explain, equivalent to adoption. The statutory provisions requiring approval by two-thirds of the votes are not intended to make it more difficult for shareholders to take decisions, nor is this an antitakeover defence mechanism that harms the market for control (which in Galp is not limited). The purpose is to ensure adequate representation of shareholders, particularly minority shareholders, when approving resolutions on issues of strategic importance to the Company and on fundamental matters of Galp, which characterise its essence, and to avoid the classic problem of agency. This mechanism was therefore created with the main goal of protecting the Company itself, ensuring its stability, as well as the minority shareholders in nuclear matters for Galp. It should also be noted that the application of a quorum for a resolution of two thirds on a second call is only required for issues which, as they are strategic and of the utmost importance to the Company, the law itself requires for resolutions on the same matter on the first notice.	
III.4 The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.	Adopted	Paragraph 12
III.5 The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.	Adopted	Paragraph 12
III.6 The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.	Not Applicable	Paragraph 13
III.7 The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.	Adopted	Paragraph 4

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
Chapter IV Management		
IV.1. Management Body and Executive Directors		
IV.1.1. (1) The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company.	Adopted	Paragraph 29
IV.1.1. (2) *Idem* ii) organisation and coordination of the corporate structure;	Adopted	Paragraph 29
IV.1.1. (3) *Idem* iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.	Adopted	Paragraph 29
IV.1.2 The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.	Adopted	Paragraph 26
IV.2. Management Body and Non-Executive Directors		
IV.2.1 Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the nonexecutive directors – shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.	Adopted	Paragraph 15 and 18
IV.2.2 The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.	Adopted	Paragraph 18
IV.2.3 The number of non-executive directors is greater than the number of executive directors.	Adopted	Paragraph 18
IV.2.4 The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of: i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate; ii. Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years; iii. Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person; iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director; v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake; vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake.	Adopted	Paragraph 18

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
IV.2.5 The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).	Not Applicable There are no directors under these conditions.	
Chapter V Supervision		
V.I. (1) With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines, prior to its final approval by the administration body.	Adopted	Paragraph 38
V.I. (2) With due regard for the competences conferred to it by law, the supervisory body valuates and renders an opinion on the risk policy, prior to its final approval by the administration body.	Adopted	Paragraph 38
V.2. (1) The number of members of the supervisory body should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report.	Adopted	Paragraph 31
V.2. (2) *Idem* regarding the number of members of the financial matters committee.	Not Applicable	
Chapter VI Performance assessment, remuneration and appointments		
VI.1 Annual Performance Assessment		
VI.1.1 (1) The management body – or committee with relevant powers, composed of a majority of non-executive members – evaluates its performance on an annual basis taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.	Adopted	Paragraph 24
VI.1.1 (2) *Idem* concerning the performance of the executive committee / the executive directors.	Adopted	Paragraph 24
VI.1.1 (3) *Idem* concerning the performance of the company committees.	Adopted	Paragraph 24
VI.2 Remunerations		
VI.2.1 The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code.	Adopted	Paragraph 66 and 67.
VI.2.2 The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.	Adopted	Paragraph 66
VI.2.3 The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amounts of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.	Adopted	Paragraph 76 to 83

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
VI.2.4 In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by shareholders.	Adopted	Paragraph 67
VI.2.5 Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.	Adopted	Paragraph 67
VI.2.6 The remuneration committee ensures that such services are provided independently.	Adopted	Paragraph 67
VI.2.7 The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.	Not Applicable	
VI.2.8 In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.	Adopted	Paragraph 69 to 71
VI.2.9 A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.	Adopted	Paragraph 72
VI.2.10 When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.	Adopted	Paragraph 73
VI.2.11 The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value.	Adopted	Paragraph 69
VI.3 Appointments		
VI.3.1 The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.	Adopted	Paragraph 16 and 19
VI.3.2 The committee for the appointment of members of corporate bodies includes a majority of independent directors.	Not Applicable	
VI.3.3 Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.	Not Applicable	
VI.3.4 The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.	Not Applicable	
Chapter VII Internal Control		
VII.1 (1) The management body discusses and approves the strategic plan.	Adopted	Paragraph 29 and 51

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
VII.1 (2) The management body discusses and approves the risk policy of the company, which includes setting limits in matters of risk-taking.	Adopted	Paragraph 29 and 51
VII.2 The company has a specialised committee or a committee composed of specialists in risk matters, which reports regularly to the management body.	Adopted	Paragraph 15 and 27
VII.3 The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.	Adopted	Paragraph 38
VII.4 The internal control system, comprising the risk management, compliance, and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.	Adopted	Paragraph 51, 52 and 54
VII.5 The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.	Adopted	Paragraph 38, 51, 52 and 54
VII.6 (1) Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business.	Adopted	Paragraph 51, 52 to 54
VII.6. (2) *Idem* (ii) the probability of their occurrence and respective impact.	Adopted	Paragraph 51, 52 to 54
VII.6. (3) *Idem* (iii) the instruments and measures to be adopted in order to mitigate such risks.	Adopted	Paragraph 51, 52 to 54
VII.6. (4) *Idem* (iv) the monitoring procedures, aimed at following them up.	Adopted	Paragraph 51, 52 to 54
VII.7 The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.	Adopted	Paragraph 53 and 54
VII.8 The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.	Adopted	Paragraph 53
VII.9 The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.	Explain, equivalent to adoption. Galp uses artificial intelligence mechanisms in the preparation of the proposals that several of the functions and organisational units submit to the Corporate Bodies. However, the Corporate Bodies do not use themselves artificial intelligence mechanisms.	
VII.10 The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose adjustments as deemed necessary.	Adopted	Paragraph 38 and 51

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
VII.11 The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned.	Adopted	Paragraph 38 and 51
Chapter VIII Information and statutory audit of accounts.		
VIII.I Information		
VIII.1.1 The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.	Adopted	Paragraph 34, 37 and 38
VIII.2 Statutory Audit and Supervision		
VIII.2.1 By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.	Adopted	Paragraph 34, 38, 44 to 46
VIII.2.2. (1) The supervisory body should be the main interlocutor with the statutory auditor in the company and the first recipient of the respective reports.	Adopted	Paragraph 38
VIII.2.2. (2) The supervisory body should be the main interlocutor with the statutory auditor in the company having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Adopted	Paragraph 38
VIII.2.3 The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.	Adopted	Paragraph 38

Appendices

Biographies and positions held in other companies by the members of the management and supervisory bodies and the members of the Remuneration Committee



Chairperson of the Board of Directors | Paula Amorim

Born in Oporto, Paula Amorim has been a member of Galp's Board of Directors since April 2012, Vice-Chairperson from 2015 to 2016 and Chairperson since October 2016. She is also Chairperson of Galp's Audit Committee since April 2019.

Representing the fourth generation of the largest Portuguese family business group, with 150 years of history, Paula Amorim is the Vice-Chairperson of Amorim Investimentos e Participações, SGPS, SA, which includes in its portfolio Corticeira Amorim, the world's largest cork producer.

As the natural successor to the Américo Amorim Group, Paula Amorim is a shareholder in the Group's family holding company, Amorim Holding II, SGPS, S.A. Having joined the Américo Amorim Group in 1992, when she was only 19 years old, and since then has held various management and administration positions.

In 2005, Paula Amorim founded her own company, Amorim Fashion. Five years later she founded the Amorim Luxury Group.

Her experience in the fashion industry was a determinant factor to make the family group a major investor in Tom Ford International (TFI).

In November 2018 she acquired assets of the Herdade da Comporta Fund, marking a new and important step in her strategy of growth and positioning as a Portuguese brand of high international quality in the Hotel, Restaurant and Lifestyle sector – JNcQUOI.

Paula Amorim studied Real Estate Management at the Escola Superior de Atividades Imobiliárias.

Positions held at other companies as of 31 December 2023:

Company	Position
In the Américo Amorim Group	
Portugal	
Amorim Holding II, SGPS, S.A.	Member of the Board of Directors
Projeto Inverso, SGPS, S.A.	Chairperson of the Board of Directors
Amorim Negócios, SGPS, S.A.	Chairperson of the Board of Directors
Amorim Investimentos Energéticos, SGPS, S.A.	Chairperson of the Board of Directors
AMOFIX INVESTIMENTOS, S.A.	Member of the Board of Directors
GAIVINA – Empreendimentos Turísticos e Imobiliários, S.A.	Vice-Chairperson of the Board of Directors
Dreaming FIX, Lda.	Manager
Netherlands	
Amorim Energia, B.V.	Director
Power Oil & Gas Investments, B.V.	Director
USA	
Amorim/TFI, Inc.	Chairperson of the Board of Directors
Tom Ford International, LLC.	Member of the Board of Directors
UK	
Platforme International Limited, Inc.	Member of the Board of Directors
In the Amorim Group	
AMORIM – Investimentos e Participações, SGPS, S.A.	Vice-Chairperson of the Board of Directors
In the Amorim Luxury Group	
Amorim Luxury, S.A.	Sole Director
Amorim Fashion, S.A.	Sole Director
Amorim Guedes de Sousa, S.A.	Chairperson of the Board of Directors
Amorim Guedes de Sousa II, Lda.	Manager
Amorim Guedes de Sousa III, Lda.	Manager
AP – Amorim Prime, Sociedade de Investimentos, Lda.	Manager
Amorim Luxury Comporta, S.A.	Sole Director
Others	
Fundação GALP	Chairperson of the Board of Directors
STOCKPRICE, SGPS, S.A.	Chairperson of the Board of Directors
Alqueva Verde, S.A.	Chairperson of the Board of Directors
AMORIM E ALEGRE – Sociedade Imobiliária, S.A.	Director
Sociedade Agroflorestal do Panasquinho, Lda.	Manager



Lead Independent Director and Vice-Chairman | Adolfo Mesquita Nunes

Adolfo Mesquita Nunes was born on 29 November 1977. He has been an independent non-executive member of Galp's Board of Directors since 12 April 2019.

As of 31 December 2023, Adolfo was a Partner at Gama Glória Law Firm. Also, Visiting Assistant Professor at Nova SBE and Public Law Arbitrator at CAAD – Centro de Arbitragem Administrativa.

Prior to this, he joined the XIX and XX governments as Secretary of State for Tourism between February 2013 and November 2015, having also been a member of the Portuguese Parliament from June 2011 to February 2013.

He started as a Trainee Lawyer in September 2000 at the Law Firm Morais Leitão, J. Galvão Teles e Associados. Between April 2005 and June 2011, he was a Senior Associate at Law Firm Morais Leitão, Galvão Teles, Soares da Silva e Associados. Between June of 2002 and August 2003, he held the position of adviser to the councilman of the Municipality of Lisbon, Pedro Feist.

He holds a degree in Law from the Faculdade de Direito da Universidade Católica Portuguesa and a Master's Degree in Law and Political Sciences from the Faculdade de Direito da Universidade de Lisboa.

Positions held at other entities as of 31 December 2023:

Entity	Position
Gama Glória Law Firm	Partner



CEO and Vice-Chairman | Filipe Silva

Filipe Silva was born in Lisbon, Portugal, on 4 July 1964. He is Vice-Chairman of the Board of Directors and Chief Executive Officer (CEO) since 1 January 2023. He has been a member of the Board of Directors since July 2012.

Since 1999 and before joining Galp, he was responsible for the investment banking areas of Deutsche Bank in Portugal, and since 2008, he was also the CEO of Deutsche Bank in Portugal.

Filipe Silva is a graduate in economics and financial management and holds a Masters' Degree in Financial Management, both from the Catholic University of America, Washington D.C.

Positions held at other entities as of 31 December 2023:

Entity	Position
ISPG – Institute of Oil and Gas, Association for Research and Advanced Training	Member of the Board of Directors
Fundação GALP	Member of the Board of Directors



CFO and Director| Maria João Carioca

Maria João Carioca, born at Lisbon, on 10 August 1971. She is currently a Member of the Board of Directors and of the Executive Committee of Galp since 3 May 2023.

Before joining Galp, she was the CFO and member of the Board of Directors of Caixa Geral de Depósitos, S.A., as well as a non-executive member of the following boards (until 2023):

- Board of Directors of CGA – Caixa Geral de Aposentações, IP.
- Board of Directors of Caixa – Banco de Investimento, S.A.
- Board of Directors of Fidelidade – Companhia de Seguros, S.A.

She started her professional career at Mckinsey & Company on 1994, having left as Senior Associate in 2004 for the position of Coordinating Director of the Office for Strategic Analysis (GAE) of UNICRE – Instituição Financeira de Crédito, S.A., which she held until 2008. After this position, she was the Director of the Corporate and Strategy Office of SIBS Forward Payment Solutions / SIBS SGPS, (2008-2013), non-executive member of the Board of Directors of MULTICERT – Serviços de Certificação Electrónica, S.A., (2009-2013) and also an executive member of the Board of Directors of SIBS Pagamentos (2011-2013).

She was also non-executive Chairman of the Board of Directors of Caixatec – Tecnologias de Comunicação, S.A. (CGD) and of Sogrupo – Sistemas de Informação, S.A. (CGD), between 2013 and 2016.

Between 2017 and 2022, she was a non-executive member of the Board of Directors of SIBS, SGPS and of SIBS – Forward Payment Solutions, S.A. Additionally, she was also Chairman of the Board of Directors of Euronext Lisboa, Interbolsa and Euronext Technologies (2016-2017) and member of the Board of Directors of Euronext NV, (2016-2017).

Maria João Carioca holds a Bachelor Degree in Economics from the Universidade Nova de Lisboa and a MBA from INSEAD, having also participated in the Leading Change and Organisational Renewal (LCOR) at the Harvard Business School, on 2012 and in the Driving Strategic Innovation, at the Massachusetts Institute of Technology, on 2018, in the Design Thinking, at the Columbia Business School, on 2019 and in the Advanced Advanced International Corporate Finance Programme, at the INSEAD on 2021.

Maria João Carioca did not hold any position in other entities with reference to 31 December 2023.



Director | Georgios Papadimitriou

Georgios Papadimitriou was born in Athens on October 2, 1972.

He is an executive member of Galp's Board of Directors and a member of the Executive Committee since January 1, 2022, responsible for Renewables and New Business (including Battery Value Chain) and Innovation.

Before joining Galp, Georgios worked for Enel for 13 years in various roles, namely Head of Europe Regulatory Affairs for Enel Green Power (EGP), Head of EGP in France, Head of EGP Business Development in Europe and in Latin America, Head of EGP Europe and most recently, Head of EGP in North America.

Earlier in his career, Georgios worked exclusively in the energy sector at an international level, for Scottish Power (Scotland), Fortum (England), Nuon (Netherlands), Gazprom (Greece) and ContourGlobal (Greece) in a variety of roles and assignments ranging from risk management, plant commercial management, business development and electricity trading.

Georgios Papadimitriou holds a MA in Economics from the American College of Greece and a MSc in Operational Research from the University of Strathclyde.

Georgios did not hold any position at other entities as of 31 December 2023.



Director| Ronald Doesburg

Ronald Doesburg was born in Eindhoven, the Netherlands, on 21 March 1978. He is currently a member of Galp's Board of Directors and Executive Committee since 3 May 2023.

Before joining Galp, Ronald Doesburg worked at Shell Chemicals between 2011 and 2023, having been the Site General Manager of a large chemicals complex in Singapore between 2021 and 2023. Before that, Ronald was working at Shell Downstream Oil Products between 2003 and 2011.

He holds a Master of Science Industrial Engineering from the Technical University of Eindhoven and a Master of Science Economics from the University of Tilburg. Additionally, he participated in a leadership program to prepare participants for executive and non-executive board roles in the University of Nyenrode named "The New Board Program".

Ronald Doesburg did not hold any positions in other entities on December 31, 2023.



Energy Management of the Executive Committee, Director | Rodrigo Vilanova

Rodrigo Vilanova was born in Rio de Janeiro, Brazil, on October 19th, 1980. He is currently a member of the Board of Directors and of the Executive Committee of Galp since 3 May 2023 and is also Chairman of the Board of Directors and CEO of Galp Trading.

Before joining Galp, he worked at BP plc. between 2016 and May 2021, in the position of Global Head of Power, Infrastructure and Greenfield LNG, in London (United Kingdom).

He was also a Director of Cheniere Energy, Inc., in Houston, Texas (USA) and an Executive at Petrobras (Petróleo Brasileiro S.A.), in addition to having worked at the Brazilian National Power System Operator (ONS) and at Eletrobrás, in Rio de Janeiro (Brazil).

Rodrigo Vilanova has a degree in Electrical Engineering from the Federal University of Rio de Janeiro (UFRJ) and is a member of the IEEE – Institute of Electrical and Electronics Engineers (Houston Chapter). Additionally, he holds a Master's in Economics from the Brazilian Institute of Capital Markets (IBMEC-RJ), an Executive MBA from the Jones Graduate School of Business (Rice University) and participated at the Executive Leadership Programme at the University of Oxford.

Rodrigo Vilanova did not hold any position in other entities with reference to 31 December 2023.



Commercial of the Executive Committee and Director| João Diogo Silva

João Diogo Marques da Silva, born at Lisbon, on 4 February 1975. He is currently a Member of the Board of Directors and of the Executive Committee at Galp since 3 May 2023. He has been with Galp since 1997, having previously held the positions of head of Galp's B2C area and Country Chair in Galp Spain.

He has more than 20 years' experience in Galp's oil and gas businesses, innovation projects, corporate functions, corporate finance.

Between May 2014 and October 2017, he was responsible for the Corporate Finance area at Galp, and between May 2008 and October 2014, held the position of CFO in the Gas & Power unit.

He has a degree in Business Administration from ISCTE, having also received executive education at the London Business School (Leadership, Strategy and Innovation) and Stanford University Graduate School of Business (Strategy and Organisation).

João Diogo Silva did not hold any position in other entities with reference to 31 December 2023.



Director | Marta Amorim

Marta Amorim was born in Espinho, Portugal, on 29 April 1972. She has been a non-executive member of Galp's Board of Directors since October 2016.

Marta Amorim currently serves as Chairperson of the Américo Amorim Group and is a member of the Board of Directors of Amorim Energia B.V.

Marta Amorim holds a degree in Business Administration and Management from Universidade Católica Portuguesa and has several years of experience in the banking sector, namely at Banco Nacional de Crédito (currently Banco Santander Totta, S.A).

Positions held at other companies as of 31 December 2023:

Company	Position
In the Américo Amorim Group	
Portugal	
Amorim Holding II, SGPS, S.A.	Chairperson of the Board of Directors
Solfim SGPS, S.A.	Chairperson of the Board of Directors
Projeto Inverso, SGPS, S.A.	Member of the Board of Directors
Amorim Negócios, SGPS, S.A.	Vice-Chairperson of the Board of Directors
Amorim Investimentos Energéticos, SGPS, S.A.	Vice-Chairperson of the Board of Directors
Amofix Investimentos, S.A.	Chairperson of the Board of Directors
Dreaming FIX, Lda.	Manager
Financimgest – Sociedade de Consultoria de Gestão de Créditos, S.A.	Chairperson of the Board of Directors
SOTOMAR – Empreendimentos Industriais e Imobiliários, S.A.	Chairperson of the Board of Directors
Gaivina – Empreendimentos Turísticos e Imobiliários, S.A.	Chairperson of the Board of Directors
Amorim Energia, B.V.	Director
Power Oil & Gas Investments, B.V.	Director
Amorim Aliança, B.V.	Director
Oil Investments, B.V.	Director
Banco Luso-Brasileiro, S.A.	Chairperson of the Board of Directors
Other	
A.P.I. – Amorim Participações Internacionais, S.A.	Chairperson of the Board of Directors
Paisagem do Alqueva, S.A.	Chairperson of the Board of Directors
S.S.A. – Sociedade de Serviços Agrícolas, S.A.	Sole Director
IMOBIS – Empreendimentos Imobiliários Amorim, S.A.	Chairperson of the Board of Directors
Mosteiro de Grijó – Empreendimentos Turísticos, S.A.	Chairperson of the Board of Directors
Casa Das Heras – Empreendimentos Turísticos, S.A.	Chairperson of the Board of Directors
Grents, Lda	Manager



Director | Jorge Seabra

Jorge Seabra de Freitas was born in Oporto, Portugal on 27 February 1960. He has been a non-executive member of Galp's Board of Directors since November 2012. He is also a member of Galp's Audit Committee since 12 April 2019.

He is the director of Amorim Holding II since August 2011 and he was Chairman of the Board of Directors of Coelima Indústrias Têxteis, S.A., between January 1992 and May 2011.

Jorge Seabra holds a degree in Economics from the Porto School of Economics. He attended the International Executive and Competitive Strategy Programme, both from INSEAD.

Positions held at other companies as of 31 December 2023:

Company	Position
In the Américo Amorim Group	
Amorim Energia, B.V.	Director
Amorim Holding II, SGPS, S.A.	Member of the Board of Directors
Amorim Investimentos Energéticos, SGPS, S.A.	Member of the Board of Directors
Solfim SGPS, S.A	Member of the Board of Directors
Amorim Negócios, SGPS, S.A.	Member of the Board of Directors
Projeto Inverso, SGPS, S.A	Member of the Board of Directors
Financimgest – Sociedade de Consultoria de Gestão de Créditos, S.A.	Member of the Board of Directors
Sotomar – Empreendimentos Industriais e Imobiliários, S.A.	Member of the Board of Directors
Gestimóvel, S.A.	Chairman of the Board of Directors
CS01, S.A.	Chairman of the Board of Directors
GESFER, S.A.	Chairman of the Board of Directors
TRILOGIA, S.A.	Chairman of the Board of Directors
Amorim Aliança B.V.	Director
Power Oil & Gas Investments B.V.	Director
Oil Investments B.V.	Director
Banco Luso-Brasileiro, S.A.	Adviser



Director | Francisco Teixeira Rêgo

Francisco Teixeira Rêgo was born in Oporto, Portugal, on 9 July 1972. He has been a nonexecutive member of the Board of Directors since April 2015.

He has been a Director of Amorim Holding II and other companies in the Américo Amorim Group since 2004. From 2002 to 2004, he worked in the Commercial Department of SODESA, S.A., an electricity trading company. From 1997 to 2002, he was at ECOCICLO, an Energy Engineering, Audit and Consulting company.

Francisco Teixeira Rêgo graduated in Mechanical Engineering at the School of Engineering of Porto University and completed an Advanced Postgraduate course in Quantitative Management Methods at the School of Management from Porto University.

Positions held at other companies as of 31 December 2023:

Entity	Position
In the Américo Amorim Group	
Amorim Holding II – SGPS, S.A.	Vice-Chairman of the Board of Directors
Solfim, SGPS, S.A.	Vice-Chairman of the Board of Directors
Amorim Negócios – SGPS, S.A.	Director
Projeto Inverso, SGPS, S.A.	Director
Amorim Investimentos Energéticos, SGPS, S.A.	Director
AMOFIX Investimentos, S.A.	Director
Financimgest – Sociedade de Consultoria e Gestão de Créditos, S.A.	Director
Gaivina, Empreendimentos Turísticos e Imobiliários, S.A.	Director
SOTOMAR – Empreendimentos Industriais e Imobiliários, S.A.	Vice-Chairman of the Board of Directors
Amorim Aliança, B.V.	Director
Amorim Energia, B.V.	Director
Oil Investments, B.V.	Director
Others	
Vintage Prime – SGPS, S.A.	Director
Mercado Prime, SGPS, S.A.	Director
Mercado Urbano, Gestão Imobiliária, S.A.	Director
Herdade Aldeia de Cima do Mendro – Soc. Comercial, Agrícola e Turística, Lda.	Manager
Folha da Fonte – Agropecuária, Lda	Manager
Amorim Negócios II, SGPS, S.A.	Director
Luynes – Investimentos, S.A.	Vice-Chairman of the Board of Directors
Época Global, SGPS, S.A.	Director
FRGALB – INVESTMENTS, S.A.	Chairman of the Board of Directors
Moreira, Gomes & Costas, S.A.	Chairman of the Board of Directors
Agência de Viagens Sandinense, Lda.	Manager



Director | Rui Paulo Gonçalves

Rui Paulo Gonçalves was born in Oporto, Portugal, on 30 May 1967. He has been a nonexecutive member of Galp's Board of Directors since May 2008.

He has been the Director and General Manager of Amorim – Investimentos Energéticos, SGPS, S.A. since December 2007. He is still the Chairman of the Board of the General Meeting of Amorim Holding II, SGPS, S.A.

Before joining Galp, he practised law in Oporto and was Visiting Lecturer at the Portuguese Institute of Administration and Marketing on the degree course and various post-graduate courses between 2004 and 2007. He was legal adviser to the Unicer Group from 2002 and 2007 and, at the same time, the Deputy Director of the legal office of the same group.

Rui Paulo Gonçalves has a post-graduate degree in Management for law graduates from the School of Economic and Business Sciences of Universidade Católica and a Degree in Law from the Law School of the same university.

Positions held at other companies as of 31 December 2023:

Positions held at other companies as of 31 December 2023:

Company	Position
In the Américo Amorim Group	
Amorim Investimentos Energéticos, SGPS, S.A.	Director and General Manager
Amorim Energia, B.V.	Director
Amorim Holding II, SGPS, S.A.	Chairman of the Board of the General Meeting



Director | Carlos Pinto

Carlos Pinto was born on 14 April 1978. He has been a non-executive member of Galp's Board of Directors since 12 April 2019.

Since 2017, and until May 8th, 2019, he has held the position of Executive Director at Sonangol, E.P. Held the position of Deputy Coordinator of the Working Group for the Revision of Petroleum Legislation in Angola, in 2017. He was Legal Advisor at Total Angola from 2004 to 2014, having held different positions and assignments at Total S.A. in France in 2012 and in 2009 at Total E&P USA. He is a Professor at the Faculty of Law of Universidade Agostinho Neto since 2009.

He has been a member of the AIPN, the Association of Petroleum Negotiators, since 2013.

Carlos Pinto holds a degree in Law from the Faculty of Law of the University of Lisbon and a Master's Degree in Business Law by the Faculty of Law of the University of Coimbra and Facutly of Law of Agostinho Neto University. Furthermore, he successfully completing an Advanced Management Program at Harvard.

Positions held at other entities as of 31 December 2023:

Entity	Position
Faculdade de Direito da Universidade Agostinho Neto	Assistant Professor
P&P Sociedade de Advogados, R.L.	Partner



Director | Diogo Mendonça Tavares

Diogo Tavares was born in Montijo, Portugal, on 31 October 1945. He was a non-executive member of Galp's Board of Directors between 2006 and 2008. He has been a member of Galp's Board of Directors since April 2012. He has also been a member of Galp's Sustainability Committee since 12 April 2019.

Before joining Galp, he was Advisor to the Chairman of Amorim Holding II, SGPS, S.A. between 2006 and 2011, and the Director of the same Entity between 2011 and 2013, and also the non-executive director at Galp, S.A. between 2006 and 2008. He was President of UNIRISCO, the first venture capital Entity in Portugal and his other positions included, Vice-Chairman of IAPMEI, Vice-Chairman of the Tourism Institute of Portugal, Director of IFADAP, Chairman of IPE-CAPITAL, Vice-Chairman of ICEP and Chairman of Urbimeta, S.A. Sociedade Imobiliária.

Diogo Tavares holds a degree in Mechanical Engineering from the Instituto Superior Técnico and is a graduate of the Advanced Business Management Programme (IAESE/Harvard Business School).

Diogo Tavares did not hold any position at other entities as of 31 December 2023.



Director | Cristina Fonseca

Cristina Fonseca has been an independent non-executive member of Galp's Board of Directors and member of Galp's Sustainability Committee since 12 April 2019.

She started her professional career as an entrepreneur, having co-founded Talkdesk in 2011, the first cloud native Call Center solution which raised $500M from top global investors.

Cristina is currently investor and board member of several companies as part of the founding team of Indico Capital Partners, the leading venture capital tech and sustainability focused firm, based Portugal. Indico Capital Partners focuses on technology and ocean related companies, targeting investments at Pre-Seed to Series B level. Founded in 2017, the team at Indico were previously behind the majority of the Portuguese global tech success stories, including 6 unicorns, as investors and entrepreneurs.

In 2018, Cristina co-founded Cleverly.ai, an Artificial Intelligence automation startup that got acquired in 2021 by Zendesk, Inc the global leader in customer service software. As a Vice President of Product Cristina is currently responsible for its AI strategy.

Appointed as a Young Global Leader by the World Economic Forum in 2021, she holds a degree in Computer Engineering and Telecommunications from Instituto Superior Técnico (Lisbon). Cristina is also a member of the Singularity University Portugal and a member of the General Council of the University of Lisbon.

Positions held at other companies as of 31 December 2023:

Entity	Position
Indico Capital Partners	General Partner
Zendesk, Inc	Vice President, Product; Head of Artificial Intelligence
Singularity University Portugal	Member
University of Lisbon	Member of the General Council



Director | Dr. Javier Cavada Camino

Javier Cavada Camino was born in Spain on 10 November 1975.

He has been an independent non-executive member of Galp's Board of Directors since 17 December 2021.

He is President and CEO of Mitsubishi Power in Europe, Middle East and Africa, Chairman of the Board of Directors of Gazelle Wind Power, Chairman of the Board of JC Navalips, and a member of the Board of Directors of Highview Power and the UK's Bagnall Energy.

Javier Cavada Camino holds a degree in Mechanical Engineering from the University of Cantabria in 1998, an MBA in Business Management from the Instituto de la Calidad in 2005, a scientific master's degree in Industrial Engineering from the University of Cantabria in 2010 and a scientific master's degree in International Management from the University of Liverpool in the same year. He has also a PhD in Industrial Engineering from the University of Cantabria since 2012.

Positions held at other entities as of 31 December 2023:

Entity	Position
Mitsubishi Power Europe, Mitsubishi Power Middle East and Mitsubishi Power Africa	President and CEO
Gazelle Wind Power	Chairman of the Board of Directors
JC Navalips	Chairman of the Board of Directors
Highview Power	Member of the Board of Directors
Bagnall Energy	Member of the Board of Directors



Director | Cláudia Almeida e Silva

Cláudia Almeida e Silva was born on September 24, 1973.

Cláudia Almeida e Silva is an independent non-executive member of Galp's Board of Directors since April 29, 2022.

Before joining Galp, Cláudia assumed several functions in the FNAC DARTY Group for 9 years, namely as store director, editorial products director and, in 2008, assumed the direction of the operation of FNAC Portugal as CEO. As member of the executive committee of the group, she assumed the responsibility of Coordination of FNAC Spain and, subsequently, FNAC Brasil.

Previously, Cláudia worked in the retail sector, namely for Conforama Portugal (PPR-Pinault Printemps Redoute Group), assuming the functions of Marketing Director and Commercial Director. She also worked in business consultancy area in PwC Consulting, both in Coopers&Lybrand and PricewaterhouseCoopers, in particular focus on Corporate Finance, ECR and CRM areas, as well as in the marketing and advertising sector.

Cláudia has a degree in Business Administration from Católica Lisbon School of Business and Economics and holds a Post Degree in General Management Consulting from INDEG/ISCTE. Cláudia attended the UNext at INSEAD/PPR University, the Uknow Finance at PPR University, the Executive Program Managing for Value at IMD International Institute for Management, the PADE – Advanced Management Program at AESE/IESE, the Executive Leadership Program at THINK School of Creative Leadership and the Advanced Management Program at Kellogg School of Management and Católica Lisbon School of Business and Economics.

Positions held at other entities as of 31 December 2023:

Entity	Position
Singularity Capital	Managing Partner
Praça Hub	Founder and CEO
Start Up Lisbon	Mentor
Católica Lisbon School of Business and Economics	Executive in Residence
Carrefour Group	Independent Member of the Board of Directors and Member of the Audit Committee and RSE Committee
Carrefour Brasil – Atacadão SA	Independent Member of the Board of Directors and Member of the Audit Committee
Adeo Group – Leroy Merlin Portugal	Advisor of the Conseil de Surveillance Committee
Carrefour Foundation	Member of the Board of Directors



Director| Ana Zambelli

Ana Zambelli, born at São Paulo, Brazil, on 25 November 1972. She is currently an independent non-executive member of Galp's Board of Directors since 1 June 2023 (elected on 3 May 2023).

With extensive experience in the area of energy, she is currently a member of the Boards of Directors of Seadrill and BW Energy as well as *pro bono* Vice-Chairperson of the Boards of Directors of *Museu do Amanhã.* She was also a member of the Board of Directors of Petrobras, Braskem, Unidas, BRK Ambiental, Aldo Solar, VIX Logistica and Alcoa America Latina.

Additionally, she was also the Managing Director at Brookfield Private Equity between 2020 and 2023. Previously, she was also CCO of Maersk Drilling in Denmark between 2015 and 2017, Managing Director of Transocean, both in South America and in the US between 2012 and 2015, and also worked between 1996 and 2011 at Schlumberger in various jurisdictions, including President in Brazil.

Ana Zambelli holds a Bachelor in Mechanical Engineer by the Universidade Federal do Rio de Janeiro, in Brazil and a Master in Petroleum Engineer by the Heriot-Watt University, in the UK. Additionally, she is post-graduated in Management and Innovation by the MIT in the USA and, more recently, in Digital Business by the Columbia University also in the USA.

Current positions at other entities with reference on 3 May 2023:

Entity	Position
Seadrill	Member of the Board of Directors
BW Energy	Member of the Board of Directors
Museu do Amanhã	Vice-Chairperson of the Boards of Directors



Director| Fedra Ribeiro

Fedra Ribeiro, born in São João do Marrere, Nampula, Mozambique, on 12 June 1972. She is currently an independent non-executive member of Galp's Board of Directors since 3 May 2023.

She was the CEO of Mobie – Beyond Automotive at Renault Group since December 2022 and was the COO of the same company between November 2021 and January 2023. She was also the CEO at Karhoo between February and December 2022. Before that, held positions at SPX, Raytheon and Volkswagen.

Fedra Ribeiro holds a Bachelor of Business Administration, International Affairs and a Master of Science – MS, International Finance from Universidade Moderna de Lisboa, and attended the post-graduation in Adult Learning from Universidade Nova de Lisboa. She also participated in the Advanced Leadership Coaching Programme at Sigmund Freud Institute – Frankfurt, Management, Organisational Leadership programme at the Indiana University Bloomington, Organisational Leadership at ESMT Berlin and Digital Ecosystems at INSEAD.

Current positions at other entities with reference on 31 December 2023:

Entity	Position
Northwestern Capital Mobility	Adviser

Audit Board



Chairman | José Pereira Alves

José Pereira Alves was born on 29 September 1960. He is Chairman of Galp's Audit Board since 12 April 2019.

He is Chairman of the Audit Board of Sierra IG, SGOIC, S.A. since May 2023, Chairman of the Audit Board of The Fladgate Partnership, S.A. since October 2018, Chairman of the Audit Board of NOS, SGPS, S.A. since May 2019 and Chairman of the Auditing Committee and non-executive Director of Corticeira Amorim, SGPS, S.A. since April 2021.

Throughout his career as an auditor and consultant, he was involved in company projects in several fields, including as the technician responsible for carrying out work on audits at Texaco (Angola), Cabinda Gulf Oil Company (CABGOC) and Electra (Cabo Verde), all in the energy sector. He remained at PwC for 32 years having left it on 30 June 2016. He held the position of Territory Senior Partner (President) from July 1, 2011 to June 30, 2015. At PwC he was responsible, throughout 22 years, for the coordination of auditing and statutory auditing of several groups, namely Amorim, RAR, Salvador Caetano, Nors, Ibersol, TAP, CTT, Semapa and Jerónimo Martins, among others.

He holds a degree in Economics from the University of Porto (FEP) and he is Statutory Auditor since 1990.

Positions held at other entities as of 31 December 2023:

Entity	Position
Galp Foundation	Chairman of the Audit Board
Sierra IG, SGOIC, S.A.	Chairman of the Audit Board
The Fladgate Partnership, S.A.	Chairman of the Audit Board
NOS, SGPS, S.A.	Chairman of the Audit Board
Corticeira Amorim, SGPS, S.A.	Chairman of the Auditing Committee and Non-Executing Director



Member | Maria de Fátima Geada

Maria Fátima Castanheira Cortês Damásio Geada was born on 2 November 1960. She is a member of Galp's Audit Board since 12 April 2019.

She also holds the position of Chairman of the Board of Directors of the Portuguese Institute of Internal Audit, Member of the Audit Board of several entities of the Group TAP Air Portugal and is a member of the IIA Global Council.

She was appointed Chairman of the Audit Board of Cateringpor between 1997 and 2020, member of the Audit Board of PGA – Portugália Airlines (until 2018) and member of the Audit Board of LF Portugal (until 2018). She also held the position of member of the Assembly of Representatives of the Order of Economists. She was also Chief Internal Audit Officer of Group TAP Portugal until April 2021. Since 2014, she is a member of the Strategic Council of ISCAC – Coimbra Business School. Between 1993 and 1996 she served as Deputy Director General of the Maintenance and Engineering Department of TAP Air Portugal and between 1994 and 2003 she was Administrator of an Integrated Health Care Company. She is a University Professor, having held, throughout her career of more than thirty years as academic, the positions of Director of the Management Course, of the Accounting and Auditing Course and of President of the Scientific Council and Pedagogical Council in several institutions. She also acts as Coordinator/Professor of the Financial Management Curricular Unit and Coordinator of the Post-Graduation in Audit, Risk and Cyber-security of IDEFE and Director of the MBA Lisboa Atlântico – UAL and is presently Lecturer in several business schools.

She holds a degree in Economics from ISEG, a Master in Quantitative Methods applied to Economics and Business Management and a PhD in Economics "*Keynesianos versus Monetaristas*" from University of Lisbon. She has a Postgraduate Degree in Auditing and in Leadership.

She is certified by IIA – EUA CRMA in Certified Risk Management Assurance.

Positions held at other entities as of 31 December 2023:

Entity	Position
Galp Foundation	Member of the Audit Board
Portuguese Institute of Internal Audit	Chairman of the Board
TAP, SGPS, S.A.	Member of the Audit Board
Portuguese Economists' Association	Vice-Chairman of the Audit Board
ISCAC	Member of the Strategic Council



Member | Pedro Antunes de Almeida

Pedro Antunes was born in Lisbon, Portugal, on 31 December 1949. He has been member of Galp's Audit Board since November 2012.

From 2006 to 2016, Pedro Antunes de Almeida was Consultant for Economic and Business Affairs to the President of the Portuguese Republic.

As an independent business consultant in the tourism industry, he was Chairman of the Board of Directors of ICEP, Chairman of the Executive Committee of ENATUR – Pousadas de Portugal, Secretary of State for Tourism (XV Government) and Ambassador of Portugal to the World Tourism Organisation. Between 2011 and 2012, he was Secretary of Galp's Board of the General Meeting.

Pedro Antunes de Almeida has a degree in Economics and Sociology from Universidade Nova de Lisboa, with a post- graduate qualification in European Economic Studies, from Universidade Católica Portuguesa, a course on Public Relations, Marketing and Publicity, from the Graduate School of Media, Lisbon, and the Course for National Defense Auditors from the National Defense Institute.

Positions held at other entities as of 31 December 2023:

Entity	Position
Galp Foundation	Member of the Audit Board
Fidelidade Seguros	Member of the Audit Board



Alternate | Jorge Costa

Jorge Costa born at Lisbon on 25 February 1959. He is currently an Alternate Member of the Audit Board since 3 May 2023.

Previously, he worked at Coopers & Lybrand, having started in 1982 as an audit assistant, and reached partner status on 1 January 1996, and was subsequently a partner in PricewaterhouseCoopers until 30 June 2021.

He was also a speaker in events promoted by PwC and in one of the Congresses of the Portuguese Institute of Statutory Auditors.

Jorge Costa has a degree in Business Organisation and Management from Instituto Superior de Economia de Lisboa and has been a Statutory Auditor since 1993.

Positions held at other entities as of 31 December 2023:

Entity	Position
Brisa Autoestradas de Portugal, SA	Member of the Audit Board
Jerónimo Martins Retalho, SA	Alternate member of the Audit Board
Controlauto, SA	Alternate member of the Audit Board
Controlauto – Controlo Técnico Automóvel, SA	Alternate member of the Audit Board

Remuneration Committee

Chairman | Amorim Energia B.V.

Amorim Energia B.V., registered with Netherlands Chamber of Commerce under CCI number 33256360, holds 276.472.161 shares issued by Galp Energia, SGPS, S.A., corresponding to 35.76% of its share capital and is based in the Netherlands.

Member | Jorge Armindo Carvalho Teixeira

Jorge Armindo de Carvalho Teixeira is a member of the Board of Directors (CEO) of Amorim Turismo, SGSP, S.A. and its affiliates.

He began his professional career in 1976 as an Assistant Lecturer in the Porto Faculty of Economics, teaching Business Management and International Financial Management until 1992. In 1982, he joined what is now the Amorim Group as Chief Financial Officer and, in 1987, was appointed Vice-Chairman of the Group, a position he held until 2000. In 1997, at the invitation of the Government, he was appointed Chairman of Portucel – Empresa de Celulose e Papel de Portugal, SGPS, S.A. and he also took the chair of all companies in which Portucel, SGPS, S.A. had investments until its privatisation.

Jorge Armindo de Carvalho Teixeira has a degree in Economics from the Faculty of Economics of Universidade do Porto.

Jorge Armindo de Carvalho Teixeira holds 11.054 shares issued by Galp Energia, SGPS, S.A. and does not hold any bonds issued by Galp Energia, SGPS, S.A.

Positions held at other entities as of 31 December 2023:

Entity	Position
Amorim Turismo, SGPS, S.A.	Member of the Board of Directors (CEO)
Amorim – Entertainment e Gaming Internacional, SGPS, S.A.	Member of the Board of Directors (CEO)
SFP – Sociedade Figueira Praia, S.A.	Member of the Board of Directors
SFP Online	Member of the Board of Directors
Estoril Sol, SGPS, S.A.	Member of the Board of Directors
Fundição do Alto da Lixa, S.A.	Chairman of the Board of Directors (PCA)
Caetano Coatings, S.A.	Member of the Board of Directors
Caetano Coatings Internacional, S.A.	Chairman of the Board of Directors (PCA)
Iberpartners – Gestão e Reestruturação de Empresas, S.A.	Chairman of the Board of Directors (PCA)
Iberpartners Cafés, SGPS, S.A.	Chairman of the Board of Directors (PCA)
Newcoffee – Indústria Torrefatora de Cafés, S.A.	Member of the Board of Directors
Fozpatrimónio, S.A.	Member of the Board of Directors
APC – Associação Portuguesa de Casinos	Vice-Chairman
CTP – Confederação do Turismo Português	Vice-Chairman of the Directive Board

Member | Joaquim Alberto Hierro Lopes

Joaquim Alberto Hierro Lopes is a shareholder and managing partner at the private equity group GED Partners and, at the same time, a member of the Board of Directors of the Management Companies of the Funds GED V España, GED VI, GED Eastern Fund II, GED Sur, GED Conexo Ventures (CEO), GED Tech Seed and of the Board of Directors of several GED Fund subsidiaries. He is the Chairman of the Board of Directors of ISAG European Business School.

Before joining Galp, he was an executive director at Norpedip/PME Capital – Sociedade Portuguesa de Capital de Risco (now Portugal Ventures), Chairman and Board Member of several companies, including FiberSensing, Altitude Software, Payshop, Cabelte, Bluepharma, TV Tel Grande Porto, Fibroplac., and participated in the launch and management of various investment funds.

Between 2007 and 2014, he was a member of the Audit Board of Corticeira Amorim SGPS, S.A.

Between 1990 and 2010 he was professor of Financial Mathematics and Management Accounting at ISAG – Instituto Superior de Administração e Gestão.

Joaquim Alberto Hierro Lopes completed a degree in Accounting and Administration at Porto Accounting and Business School, as well as in Mathematics from the Faculty of Sciences of the Universidade do Porto, and he completed a MBA at Porto Business School. He has a Master's Degree in Business Administration, from the Universidade do Porto.

Joaquim Alberto Hierro Lopes holds 10 shares issued by Galp Energia, SGPS, S.A. and does not hold any bonds issued by Galp Energia, SGPS, S.A.

Positions held at other entities as of 31 December 2023:

Entity	Position
GED Partners, SL	Member of the Board of Directors
Capital Promoción Empresarial del Sur, S.A..	Member of the Board of Directors
GED Capital Development, S.A.	Member of the Board of Directors
GED Iberian Private Equity, S.A.	Member of the Board of Directors
GED Ventures Portugal, SCR, S.A.	Chairman of the Executive Committee
Fundo GED Tech Seed, FCR	Managing Partner
Fundo GED Conexo Ventures	Managing Partner
Fundo GED Sur	Managing Partner
Fundo GED Eastern Fund II	Member of the Investments Committee
Fundo GED V Espanha	Member of the Investments Committee
Fundo GED VI Espanha	Member of the Investments Committee
Serlima Services, S.A.	Member of the Board of Directors
ISAG – European Business School	Chairman of the Directive Board
Fundação Consuelo Vieira da Costa	Chairman of the Audit Board

DELIVERING



FOR LIFE

PART IV

Consolidated and Individual Financial Statements

galp

Consolidated Statement of Financial Position

Galp Energia, SGPS, S.A.

Consolidated Statement of Financial Position as at 31 December 2023 and 31 December 2022

(Amounts stated in million Euros – €m)

Assets	Notes	2023	2022
Non-current assets:			
Tangible assets	5	6,029	5,700
Intangible assets	6	659	672
Goodwill	8	44	70
Right-of-use of assets	7	1,630	1,116
Investments in associates and joint ventures	9	255	417
Deferred tax assets	16	615	559
Other receivables	11	305	263
Other financial assets	12	351	256
Total non-current assets:		**9,888**	**9,055**
Current assets:			
Inventories	10	1,447	1,361
Other financial assets	12	207	339
Trade receivables	11	1,395	1,464
Other receivables	11	931	942
Current income tax receivable	16	0	3
Cash and cash equivalents	13	2,200	2,432
Non-current assets classified held for sale	2.2	537	500
Total current assets:		**6,716**	**7,041**
Total assets:		**16,606**	**16,096**

Equity and Liabilities	Notes	2023	2022
Equity:			
Share capital and share premium	22	773	897
Own shares	22	0	0
Reserves	22	1,449	1,562
Retained earnings		2,187	1,701
Total equity attributable to shareholders:		**4,409**	**4,161**
Non-controlling interests	23	920	956
Total equity:		**5,329**	**5,117**
Liabilities:			
Non-current liabilities:			
Financial debt	14	3,026	3,187
Lease liabilities	7	1,543	1,095
Other payables	15	95	99
Post-employment and other employee benefit liabilities	17	225	252
Deferred tax liabilities	16	476	555
Other financial instruments	19	99	48
Provisions	18	1,437	1,430
Total non-current liabilities:		**6,900**	**6,666**
Current liabilities:			
Financial debt	14	575	800
Lease liabilities	7	267	182
Trade payables	15	1,268	1,005
Other payables	15	1,758	1,505
Other financial instruments	19	100	373
Current income tax payable	16	311	361
Liabilities directly associated with non-current assets classified as held for sale	2.2	97	87
Total current liabilities:		**4,376**	**4,314**
Total liabilities:		**11,276**	**10,979**
Total equity and liabilities:		**16,606**	**16,096**

The accompanying notes form an integral part of the consolidated statement of financial position and must be read in conjunction.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Galp Energia, SGPS, S.A.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the years ended 31 December 2023 and 31 December 2022

(Amounts stated in million Euros – €m)

	Notes	2023	2022
Sales	24	20,455	26,485
Services rendered	24	314	355
Other operating income	24	441	321
Financial income	27	134	877
Earnings from associates and joint ventures	9;24	49	152
Total revenues and income:		**21,394**	**28,189**
Cost of sales	25	(14,580)	(20,920)
Supplies and external services	25	(2,224)	(1,888)
Employee costs	26	(450)	(370)
Amortisation, depreciation and impairment losses on fixed assets	25	(987)	(1,380)
Provisions and impairment losses on other receivables	25	(162)	(133)
Other operating costs	25	(189)	(88)
Financial expenses	27	(215)	(164)
Total costs and expenses:		**(18,807)**	**(24,943)**
Profit/(Loss) before taxes and other contributions:		**2,585**	**3,246**
Taxes and SPT	16	(997)	(1,434)
Energy sector extraordinary contribution	16	(44)	(34)
Windfall tax	16	(95)	(53)
Consolidated net income/(loss) for the year		**1,451**	**1,726**
Income/(Loss) attributable to:			
Galp Energia, SGPS, S.A. Shareholders		**1,242**	**1,475**
Non-controlling interests	**23**	**209**	**251**
Basic Earnings per share (in Euros)		**1.56**	**1.81**
Diluted Earnings per share (in Euros)		**1.56**	**1.81**

Consolidated net income/(loss) for the year		**1,451**	**1,726**
Items which will not be recycled in the future through net income:			
Remeasurements	17	13	(30)
Income taxes related to remeasurements	17	0	0
Items which may be recycled in the future through net income:			
Currency translation adjustments		(187)	299
Hedging reserves	19	53	(13)
Income taxes related to the above items	16	(19)	3
Subtotal of other comprehensive income/(loss)		**(141)**	**258**
Total Comprehensive income/(loss) for the year, attributable to:		**1,310**	**1,983**
Galp Energia, SGPS, S.A. Shareholders		**1,147**	**1,680**
Non-controlling interests		**163**	**304**

The accompanying notes form an integral part of the consolidated income statement and consolidated statement of comprehensive income.

Consolidated Statement of Changes in Equity

Galp Energia, SGPS, S.A

Consolidated Statement of Changes in Equity for the years ended 31 December 2023 and 31 December 2022

(Amounts stated in million Euros – €m)

	Notes	Share Capital and Share Premium		Reserves							
		Share Capital	Share Premium	Own shares	CTR(*)	Hedging Reserves	Other Reserves	Retained earnings	Sub-Total	NCI(**)	Total
As at 1 January 2022		**829**	**82**	**0**	**(232)**	**24**	**1,535**	**813**	**3,052**	**918**	**3,970**
Consolidated net income for the year		0	0	0	0	0	0	1,475	1,475	251	1,726
Other gains and losses recognised in equity		0	0	0	245	(10)	0	(31)	205	53	258
Comprehensive income for the year		**0**	**0**	**0**	**245**	**(10)**	**0**	**1,444**	**1,680**	**304**	**1,983**
Dividends distributed		0	0	0	0	0	0	(420)	(420)	(266)	(686)
Repurchase of shares		0	0	(150)	0	0	0	0	(150)	0	(150)
Cancelling of shares		(14)	0	150	0	0	0	(136)	(0)	0	(0)
Increase/decrease in capital reserves		0	0	0	0	0	0	0	0	0	0
Cumulative income as at 31 December 2022 – CTR with Non current Asset classified as held for sale		**0**	**0**	**0**	**160**	**0**	**0**	**0**	**160**	**0**	**160**
Cumulative loss at 31 December 2022 – Other CTR's		**0**	**0**	**0**	**(147)**	**0**	**0**	**0**	**(147)**	**0**	**(147)**
Balance as at 31 December 2022		**815**	**82**	**0**	**13**	**14**	**1,535**	**1,701**	**4,161**	**956**	**5,117**
Balance as at 1 January 2023		**815**	**82**	**0**	**13**	**14**	**1,535**	**1,701**	**4,161**	**956**	**5,117**
Consolidated net (loss) income for the year		0	0	0	0	0	0	1,242	1,242	209	1,451
Other gains and losses recognised in equity		0	0	0	(141)	34	0	13	(95)	(46)	(141)
Comprehensive income for the year		**0**	**0**	**0**	**(141)**	**34**	**0**	**1,255**	**1,147**	**163**	**1,310**
Dividends distributed	22, 23	0	0	0	0	0	0	(422)	(422)	(197)	(619)
Repurchase of shares		0	0	(500)	0	0	0	0	(500)	0	(500)
Cancelling of shares		(42)	0	500	0	0	0	(458)	0	0	0
Decrease in capital reserves		0	(82)	0	0	0	(31)	111	(2)	(2)	(4)
Long term incentives		0	0	0	0	0	25	0	25	0	25
Cumulative income as at 31 December 2023 – CTR with Non current Asset classified as held for sale		**0**	**0**	**0**	**142**	**0**	**0**	**0**	**142**	**0**	**142**
Cumulative loss at 31 December 2023 – Other CTR's		**0**	**0**	**0**	**(270)**	**0**	**0**	**0**	**(270)**	**0**	**(270)**
Balance as at 31 December 2023		**773**	**0**	**0**	**(128)**	**48**	**1,529**	**2,187**	**4,409**	**920**	**5,329**

The accompanying notes form an integral part of the consolidated statement of changes in equity and must be read in conjunction.
(*) Currency Translation Reserves
(**) Non-controlling Interests

Consolidated Statement of Cash Flows

Galp Energia, SGPS, S.A.

Consolidated Statement of Cash Flows for the years ended 31 December 2023 and 31 December 2022

(Amounts stated in million Euros – €m)

	Notes	December 2023	December 2022
Income/(Loss) before taxation for the period		**2,586**	**3,246**
Adjustments for:			
Amortization, depreciation and impairment losses on fixed assets	25	987	1,380
Provisions		105	124
Adjustments to net realisable value of inventories	25	(36)	70
Mark-to-market of derivatives	27	22	(806)
Other financial costs/income	24;25	59	93
Underlifting and/or Overlifting	24;25	(24)	(55)
Share of profit/(loss) of joint ventures and associates	9	(49)	(152)
Others		123	(13)
Increase / decrease in assets and liabilities:			
(Increase) in inventories		(50)	(473)
(Increase)/decrease in current receivables		68	(221)
(Decrease)/increase in current payables		264	225
(Increase)/decrease in other receivables, net		(103)	714
Dividends from associates and joint ventures	9	31	26
Taxes paid	16	(1,355)	(1,087)
Cash flow from operating activities		**2,628**	**3,071**
Capital expenditure in tangible and intangible assets		(1,056)	(1,078)
Investments in associates and joint ventures, net		0	(48)
Other investment cash outflows		(38)	(140)
Other investment cash inflows	15	77	0
Cash flow from investing activities		**(1,017)**	**(1,266)**
Loans obtained	14	1,904	4,297
Loans repaid	14	(2,409)	(4,483)
Interest paid		(57)	(39)
Leases repaid	7	(157)	(132)
Interest on leases paid	7	(102)	(85)
Change in non-controlling interest		0	0
Dividends paid to Galp shareholders	22	(422)	(420)
Dividends paid to non-controlling interests	22;23	(169)	(245)
Acquisition of own stocks	22	(500)	(150)
Cash flow from financing activities		**(1,912)**	**(1,257)**
(Decrease)/increase in cash and cash equivalents		(302)	547
Currency translation differences in cash and cash equivalents		(48)	62
Cash and cash equivalents at the beginning of the period	13	2,421	1,812
Cash and cash equivalents at the end of the period	**13**	**2,071**	**2,421**

The accompanying notes form an integral part of the consolidated statement of cash flows and should be read in conjunction.

Notes to the consolidated financial statements as of 31 December 2023

Galp Energia SGPS, S.A. (the Company) is the parent company of Galp Group.

On January 2, 2024, the Company has changed its head office to Avenida da Índia in Lisbon, Portugal.

Galp shares are listed on Euronext Lisbon.

The Group develops its activities in the energy sector, namely electricity from renewable sources, exploration, production and commercialization of hydrocarbons (oil & natural gas), refining and distribution of lubricants, gas, gasoline, diesel, fuel oil, jet fuel, asphalts and others and the acquisition and wholesale distribution of natural gas.

1. Basis of preparation

The consolidated financial statements of Galp Energia SGPS, S.A. and its subsidiaries (collectively referred to herein as Galp or the Galp Group) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, financial assets at fair value through comprehensive income and financial assets at fair value through profit or loss.

The accounting policies set out below have been applied consistently to the preparation of the consolidated financial statements for the years presented, except for the adoption as from January 1, 2023, of IFRS 17 Insurance contracts (IFRS 17) and IAS 12 Income taxes (IAS 12) amendments. The transition to the accounting pronouncements as listed below has no material impact on Galp's consolidated financial statements (Note 3).

The consolidated financial statements are presented in Euros, and all the values are rounded to the nearest million Euros, except where otherwise indicated. Therefore, the subtotals and totals of the tables presented in these consolidated financial statements and accompanying notes may not equal the sum of the amounts presented, due to rounding.

2. Information about material accounting policies, judgments, estimates and changes

2.1 Information about material accounting policies, judgments and estimates

Accounting policies

Galp's material accounting policies are disclosed in the related notes within these consolidated financial statements.

Applying materiality

The consolidated financial statements are the result of the aggregation of a large number of transactions by nature. When they are aggregated, the transactions are presented in classes of similar items. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements, or in the notes thereto. Management makes the specific disclosures required by the IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or is otherwise not applicable.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company Galp Energia SGPS, S.A. and the entities under its control. Control exists where Galp has effective power over an entity and is exposed to variable returns arising from its involvement with the entity. Where necessary, adjustments are made to bring the financial statements of the subsidiaries in line with the Group's accounting policies. All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition up to the effective date of disposal. Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to Galp's shareholders.

Translation of foreign currencies

Functional currency

Items included in the financial statements of Galp Group entities are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The presentation currency of the consolidated group is the Euro, which is the functional currency of the parent.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as of the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities, are recognized in the income statement.

Translation of Group companies

Upon consolidation, the assets and liabilities of non-Euro entities are translated into Euros at the year-end rates of exchange, while their statements of income, other comprehensive income and cash flows are translated at the annual average rates. The resulting translation differences are recognized as currency translation differences within other comprehensive income.

The following exchange differences are recognized in other comprehensive income: (i) Foreign subsidiaries' statements of comprehensive income are translated at the historical average of the year-end exchange rates; (ii) Loans granted by shareholders to subsidiaries in currencies other than the parent's functional currency that have no stipulated repayment terms are treated as net hedges on the investments in these foreign subsidiaries. This means that the foreign exchange differences arising from these loans that have not been eliminated upon consolidation are reclassified in the income statement from shareholders' equity to the line item "Currency translation reserves".

Key accounting estimates and judgments

Inherent in the application of the accounting policies used for the preparation of these consolidated financial statements is the need for Galp's management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. The actual amounts could differ from the estimates and assumptions used.

Accounting judgments and estimates which could have a material impact on the results of the group are described in the Notes to the financial statements alongside the material accounting policies. Those areas requiring the most significant judgment and the use of estimates when preparing these consolidated financial statements are: (i) Accounting for interests in joint arrangements and associates (Note 9); (ii) Accounting for oil and natural gas properties, including the estimation of oil and gas reserves and future commodity prices (Note 5); (iii) Recoverability of the carrying value of assets (Notes 5, 6, 8 and 9); (iv) Provisions and contingencies (Note 18); (v) Pensions and other post-employment benefits (Note 17); (vi) Income taxes (Note 16); (vii) Leases (Note 7); (viii) Derivatives financial instruments, including fair value measurements of financial instruments (Note 19 and 20). Where an estimate carries a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year, this is specifically stated within the respective note.

Energy Transition

Energy transition refers to the gradual shift from fossil-based energy production and consumption to renewable energy sources such as wind, solar and hydropower, as well as lithium-ion batteries, hydrogen and biofuels.

While energy consumption is expected to continue rising, the higher penetration of renewable energy sources into the energy supply mix, the increasing electrification in transport, manufacturing and buildings, and the subsequent needs of improved energy storage, new mobility solutions and energy efficient technologies are all important drivers and challenges of the energy transition.

Galp aims to play an important role in the energy transition, adapting its business portfolio to accompany the shifting paradigm in energy sources, while taking advantage, as much as possible, of synergies with existing businesses and distribution networks. The Group has already taken, in recent years, significant steps to diversify its asset base, simultaneously working towards improved operational energy efficiency and electrification, with a view to mitigate the carbon footprint of fossil fuel related business areas, remaining committed towards its ongoing sustainability journey, as the integration of low carbon energies and the increased renewable power generation will be fundamental to preparing Galp to address future options and continue to decarbonise its portfolio, maintaining an alignment with society and EU targets.

Refer to section 2.1 to 2.3 in chapter 2, in the Integrated Management Report (Book I) for further details on strategic framework related to energy transition.

This note describes how Galp has considered climate-related impacts in some key areas of the financial statements and how this translates into the valuation of assets and measurement of liabilities as Galp progresses in the energy transition.

The material accounting policies, judgements and estimates section above provides the specific reference to the notes where the relevant uncertainties, including those that have the potential to have a material effect on the Consolidated Balance Sheet in the next 12 months, are described.

This note describes the key areas of climate impacts that potentially have short- and longer-term effects on amounts recognized in the Consolidated Balance Sheet at December 31, 2023. Where relevant, this note contains references to other notes to the Consolidated Financial Statements and aims to provide an overarching summary.

Financial planning and assumptions

Group's decarbonization ambitions (See above) are embedded in Galp's business plan. Galp will continue to revise its business plan, price outlooks and assumptions as it moves towards net-zero emissions by 2050.

The financial plan includes expected cost for evolving carbon regulations based on a forecast of Galp's equity share of emissions from operated and non-operated assets also considering the estimated impact of free allowances. Carbon cost estimates range around €120 per tonne of GHG emissions in 2030, €220 per tonne in 2040 and €330 per tonne in 2050 (nominal terms).

Potential Accounting Impact of Energy Transition

Changes in future commodity prices and potential impairments

As noted, in accordance with IFRS, Galp's financial statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future.

Energy transition is expected to bring volatility and there is large uncertainty as to how commodity prices will develop over the next decades. External climate price scenarios differ with some presenting a structural lower price during the transition period, while other price lines see structural higher commodity prices as a result of changes in both supply and demand.

Refer to Note 5 for Galp's best estimate for future oil and gas prices, including refining margins, and related sensitivities. If different price outlooks from external and often normative climate change scenarios were used, this may impact the recoverability of certain assets recognized in the Consolidated financial position as at December 31, 2023. These external scenarios are not representative of management price reasonable estimate.

Change of portfolio

Galp's strategy to play an important role in the energy transition may also result in new asset investments and/or divestments, which will impact the balance sheet and the Group's future results. Portfolio changes have started in previous years with the closure of the Matosinhos refinery, the acquisition of Titan 2020, S.A. (obtaining full control in 2022 following the acquisition of the remaining 25% stake) a large solar PV player and the divestment from its mature upstream assets in Angola (Note 2.2.2), focusing on its lowest carbon intensity assets.

The Group continues to execute its strategy proposition focusing on the successful execution of key projects, combining growth and transformation in its portfolio with financial discipline and strong focus on profitable growth.

Earlier than expected termination of abandonment provisions

Energy transition may lead to earlier than planned decommissioning and restoration commitments. Galp has recognized in its accounts abandonment provisions for all assets where the abandonment commitments are material, except for Sines refinery industrial complex. Galp seeks to uphold its operations in its industrial site in Sines, naturally transforming and decarbonising towards the needs of a lower carbon energy system and ensuring longer-term viability. Recent final investment decision (FID) on one of the biggest electrolysers projects in Europe for renewable hydrogen production and a large advanced biofuels plant to produce HVO and SAF, showcase Galp's commitment to ensure the energy supplies of the future.

Climate Changes

As with the Energy Transition, Galp has been working in the assessment of the potential impact of climate change risks in its activities. This analysis has the double objective of valuing the resilience of Galp's strategy under different scenarios while at the same time identify relevant opportunities and threats.

Galp integrated the TCFD recommendations in the identification of climate change related risks. A set of physical and market variables were collected in order to estimate the impact of climate change risks in Galp's operations and value at risk.

Potential Accounting Impact of Climate Change

Physical risks of Assets due to weather catastrophes

Galp is in the process of conducting multiple studies aimed at expanding the understanding of physical risks. These studies will allow a better understanding of the resilience of Galp's physical assets in the short to medium term given the estimated pace of climate change.

Galp has several core assets near the coastline and holds interests in joint operations in deep waters with Floating Production and Offloading Vessels (FPSO). These core assets, as well as other Galp assets, are covered by insurance.

Change of commodity and CO_2 prices

Climate change may affect the supply and demand of energy both at a local and a global level which, in turn, may have an impact on the financial statements of Galp Group through variables such as CO_2 prices or the price and quantities traded of commodities in general. Such risks are closely monitored and are appropriately reflected in the financial statements when and if they occur.

2.2 Significant changes during the year

2.2.1 Change of Head-office address

On 2 January 2024 Galp has changed its head office address to Avenida da Índia, 8 in Lisbon, Portugal.

2.2.2 Non-current Assets and Liabilities classified as held for sale

On 16 December 2022, the Board of Directors decided to proceed with the divestment of the Angolan Upstream, through the sale of Galp Energia Overseas Block 32 BV and Galp Energia Overseas Block 14 BV. On 13 February 2023, Galp has signed an agreement for the sale of its upstream assets in Angola. Proceeds are expected to reach c.$830 m, already net of capital gain taxes, including c.$655 m to be received until completion and $175 m in contingent payments due in 2024 and 2025 dependent on Brent price. Completion of the transactions is now expected during 2024. In 2023, Galp has received €77 m of initial proceeds (down payment) (which is accounted in "Other deferred income" caption in Note 13) and €132 m of leakage (distribution of interim dividends).

The Board considered that the criteria to be classified as Non-current assets held for sale is still met: (i) the assets are available for immediate sale and can be sold to the buyer in its current condition; (ii) the actions to complete the sale were initiated and are expected to be completed within one year from the date of initial classification; (iii) a potential buyer has been identified and negotiations as at the reporting date are at an advance stage.

The respective assets and liabilities of the upstream entities in Angola are classified as 'Non-current assets held for sale' and 'Liabilities directly associated with non-current assets classified as held for sale', presented separately, as current, in the consolidated financial statements as at December 31, 2023.

The assets, liabilities and cumulative translation reserve in equity that comprise the values shown in the Primary statements are as following:

Unit: €m

	2023
Non-current assets held for sale	**537**
Intangible assets	7
Tangible assets	487
Right-of-use assets	1
Inventories	5
Other receivables	37
Liabilities directly associated with non-current assets held for sale	**(97)**
Deferred tax liability	(5)
Provisions	(78)
Other payables	(15)
Equity	**(142)**
Cumulative translation reserves	(142)

2.2.3 Changes to the consolidation perimeter

During the twelve-month period ended on the 31 December 2023 Galp has entered into the following main transactions:

Legal Entity	Country	%	Transaction	Consolidation Method
Acauã Solar Energia SPE Ltda	Brazil	100%	Returned to SER	-
Citrino Solar Energia SPE Ltda	Brazil	100%	Returned to SER	-
C-M-791 – joint operation	Brazil	20%	Returned to Brazilian authorities	-
PEPB-M-783 – joint operations	Brazil	20%	Returned to Brazilian authorities	-
PEPB-M-839 – joint operation	Brazil	20%	Returned to Brazilian authorities	-
Ventos de Santo Antão Energias Renováveis, S.A.	Brazil	100%	Acquisition	Full consolidation
Vereda Solar Energia, S.A. (8 entities from II-IX)	Brazil	100%	Founded	Full consolidation
Enacolgest, Lda	Cape Verde	48%	Merger	Merged with Enacol, S.A.R.L. (the surviving entity)
Carriço Cogeração, S.A.	Portugal	65%	Liquidation	-

For further details of Consolidation perimeter and Galp financial interests in entities see Note 31.

2.2.4. Non-bearing interest loans fair value determination

The Group has established back in 2017 a non-bearing interest loan with fixed term with Coral FLNG to support its activities. Under IFRS 9, at initial recognition the loan shall be measured at its fair value and, subsequently, measured at amortized cost, by estimating the loan reimbursement schedule up to the loan maturity and also, determining a discount rate that reflects both maturity and the Company credit risk for similar financial liabilities. At origination, the difference between the loan amount and its fair value (present value using current market rates for similar instruments) is treated as an equity contribution to Coral FLNG, which represents a further investment by the Group in Coral FLNG.

In 2023, as a result of the modification of the shareholders loan reimbursement schedule, Management reassessed the accounting treatment of the loan under IFRS 9 (which was previously being characterized for accounting purposes as a capital contribution – equity investment) (Note 9).

2.2.5 Acquisition of owns shares

Own equity instruments that are reacquired (own shares or treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Galp has initiated on 15 February 2023 a programme to repurchase Galp Energia SGPS, S.A. own shares in the amount of €500 m.

On 15 December 2023 Galp concluded this share repurchase programme. Pursuant to the conclusion of the programme, Galp's Board of Directors approved the reduction of the Company's share capital through the extinction of 42,028,823 own-shares, representative of approximately 5.16% of its share capital on 1 January 2023. Average price of the repurchase of the shares was €11.90/share.

3. Impact of new international financial reporting standards

3.1 New Standards and amendments endorsed by the European Union adopted on 1 January 2023 and to be adopted in future years

The IFRS standards endorsed and published on the Official Journal of the European Union (OJEU) during the year 2023 and enforceable for accounting purposes in 2023 or in subsequent years are presented in the table below:

IFRS/IFRIC Standards	Publication date in OJEU	Accounting application date	Enforcement year	Observations
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	21/11/2023	01/01/2024	2024	Without material accounting impact
Amendments to IAS 1 Presentation of Financial Statements: • Classification of Liabilities as Current or Noncurrent (issued on 23 January 2020); • Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date (issued on 15 July 2020); and • Non-current Liabilities with Covenants (issued on 31 October 2022)	20/12/2023	01/01/2024	2024	No estimated accounting impact

IFRS/IFRIC Standards	Publication date in OJEU	Accounting application date	Enforcement year	Observations
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued on 23 May 2023)	9/11/2023	01/01/2023	2023	**
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	9/9/2022	01/01/2023	2023	Without material accounting impact.*
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	12/8/2022	01/01/2023	2023	Without material accounting impact.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	3/3/2022	01/01/2023	2023	Accounting impact on disclosure.
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	3/3/2022	01/01/2023	2023	Without material accounting impact.
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17	23/11/2021	01/01/2023	2023	Without material accounting impact.*

* Immaterial impact on consolidation accounts regarding the reinsurance entity Tagus RE held by Group Galp. Galp has decided not to apply IFRS 17 in consolidation accounts in accordance with IAS 8 p.8.

** In 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules, whereas Galp Group (Galp) is included under these rules. Given the date of the approval of this legislation (still ongoing in some countries in which Galp is present) and given the extent of the information to be analysed, Galp, based on the application of the temporary exemption, will not recognize deferred taxes with respect to Pillar Two, or disclose information about them, yet as provided by IAS 12. Hence, Galp is currently carrying out the assessment of the impacts related to this topic, as such it is not possible to provide, for now, a reasonable estimate of the impact of these amendments.

4. Segment information

Operating segments

The Group operates across four different operating segments based on the types of products sold and services rendered: (i) Upstream, (ii) Industrial & Midstream; (iii) Commercial and (iv) Renewables & New Businesses.

The Upstream segment represents Galp's presence in the Upstream sector of the oil and gas industry, which involves the management of all activities relating to the exploration, development and production of hydrocarbons, mainly focused on Brazil, Mozambique, Namibia and Angola[1] (until the end of 2022).

The Industrial & Midstream segment operates the Sines industrial site in Portugal, which includes all current refining activities, as well as all activities relating to the Midstream, namely the energy management of oil products, gas and electricity. This segment also comprises all storage and transportation infrastructure for oil, gas products and the sale of electricity to the grid in Portugal and Spain, for both export and import.

The Commercial segment encompasses the area of retail to final B2B and B2C customers of oil, gas, electricity and convenience.

The Renewables & New businesses segment represents Galp's presence in the renewable and new energies space.

Besides the four operating segments above, the Group classified in the category "Others" the holding company Galp Energia, SGPS, S.A., and companies with activities that differ from the Company's core business, including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of shared services at the corporate level, respectively.

The segment reporting is presented on a replacement cost (RC) basis, which is the earnings measure used by the Chief Operating Decision Maker (in this case the Executive Board) to make decisions regarding the allocation of resources and the assessment of performance. Based on the RC method, the current method of measuring cost of sales under IFRS (the weighted average cost method) is replaced by the crude reference price (i.e. Brent-dated) as of the balance sheet date, as though the cost of sales had been measured at the replacement cost of the inventory sold. We have also disclosed in this note a reconciliation between the results under IFRS and those presented in the segment information.

[1] Despite Angolan upstream entities being classified as non-current Assets held for sale, their profit or loss is included in the consolidated income statement.

The financial information of the segments identified above, as of 31 December 2023 and 2022, is presented as follows:

Unit: €m

	Consolidated		Upstream		Industrial & Midstream		Commercial		Renewables & New businesses		Others		Consolidation adjustments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sales and services rendered	**20,769**	**26,840**	**3,717**	**4,401**	**8,317**	**11,000**	**10,296**	**13,410**	**161**	**190**	**293**	**236**	**(2,016)**	**(2,320)**
Cost of sales	**(14,521)**	**(20,956)**	**(193)**	**(367)**	**(6,542)**	**(9,904)**	**(9,444)**	**(12,472)**	**26**	**(91)**	**(19)**	**(8)**	**1,651**	**1,811**
of which Variation of Production	(121)	304	(136)	(28)	15	332	0	0	0	1	0	0	0	0
Other revenue & expenses	**(2,479)**	**(2,035)**	**(1,036)**	**(951)**	**(846)**	**(645)**	**(563)**	**(640)**	**(57)**	**(48)**	**(342)**	**(263)**	**365**	**509**
of which Under & Overlifting	24	55	24	55	0	0	0	0	0	0	0	0	0	0
EBITDA at Replacement Cost	**3,769**	**3,849**	**2,488**	**3,083**	**929**	**451**	**290**	**298**	**131**	**50**	**(69)**	**(34)**	**0**	**0**
Amortisation, depreciation and impairment losses on fixed assets	(987)	(1,380)	(532)	(855)	(154)	(266)	(157)	(217)	(113)	(18)	(32)	(24)	0	0
Provisions (net)	(105)	(124)	4	1	(82)	(119)	(1)	(7)	0	0	(25)	1	0	0
EBIT at Replacement Cost	**2,676**	**2,345**	**1,960**	**2,229**	**693**	**66**	**132**	**75**	**18**	**32**	**(126)**	**(57)**	**0**	**0**
Earnings from associates and joint ventures	49	152	(32)	28	51	(13)	7	8	21	126	2	3	0	0
Financial results	(81)	713												
Taxes and SPT at Replacement Cost	(1,017)	(1,432)												
Energy Sector Extraordinary Contribution	(44)	(34)	0	0	(21)	(20)	(14)	0	0	0	(9)	(14)	0	0
Windfall tax	(95)	(53)	(64)	0	0	0	(31)	0	0	0	0	(53)	0	0
Consolidated net income at Replacement Cost, of which:	**1,489**	**1,691**												
Attributable to non-controlling interests	209	251												
Attributable to shareholders of Galp Energia SGPS SA	1,280	1,440												
OTHER INFORMATION														
Segment Assets[1]														
Financial investments[2]	255	417	110	283	29	18	27	35	89	81	0	0	0	0
Other assets	16,351	15,678	8,528	7,540	3,538	3,263	2,850	2,889	1,704	2,061	2,743	2,536	(3,012)	(2,611)
Segment Assets	**16,606**	**16,096**	**8,638**	**7,823**	**3,567**	**3,281**	**2,877**	**2,924**	**1,792**	**2,142**	**2,743**	**2,536**	**(3,012)**	**(2,611)**
of which Rights of use of assets	1,630	1,116	1,070	702	235	165	159	167	91	70	75	12	0	(0)
of which tangible and intangible assets	6,732	6,442	3,860	3,825	741	662	700	711	1,308	1,168	123	76	0	(0)
Investment in Tangible and Intangible Assets[3]	**1,091**	**1,078**	**581**	**595**	**196**	**72**	**125**	**113**	**147**	**260**	**41**	**39**	**0**	**0**

[1] Net amount
[2] Includes "Investments in associates and joint ventures" (Note 9) and "Other financial assets – Financial assets not measured at fair value - Loans and capital subscription" (Note 12)
[3] Excludes Abandonment provisions (€53 m) and Carry interest of Upstream segment (€20 m)

The detailed information on sales and services rendered, tangible and intangible assets and investments in associates and joint ventures for each geographical region in which Galp operates is as follows:

Unit: €m

	Sales and services rendered [1]		Tangible and intangible assests		Financial investments	
	2023	2022	2023	2022	2023	2022
	20,769	**26,840**	**6,732**	**6,442**	**255**	**417**
Africa	758	757	830	710	130	301
Latin America	2,567	3,971	3,122	3,218	79	77
Europe	17,444	22,112	2,779	2,514	45	39

[1] Net consolidation operation

Commercial and financial transactions between related parties are performed according to the usual market conditions, similarly to the transactions between independent parties.

The reconciliation between the Segment Reporting and the Consolidated Income Statement for the year ended 31 December 2023 and 2022 is as follows:

Unit: €m

	2023	2022
Sales and services rendered	**20,769**	**26,840**
Cost of sales	**(14,580)**	**(20,920)**
Replacement cost adjustments (1)	59	(36)
Cost of sales at Replacement Cost	(14,521)	(20,956)
Other revenue and expenses	**(2,479)**	**(2,035)**
Amortisation, depreciation and impairment on fixed assets	(987)	(1,380)
Provisions (net)	(105)	(124)
Earnings from associates and joint ventures	49	152
Financial results	(81)	713
Profit before taxes and other contributions at Replacement Cost	**2,645**	**3,210**
Replacement Cost adjustments	(59)	36
Profit before taxes and other contributions at IFRS	**2,585**	**3,246**
Income tax	(997)	(1,434)
Income tax on Replacement Cost Adjustment (2)	(20)	2
Energy Sector Extraordinary Contribution	(44)	(34)
Windfall tax	(95)	(53)
Consolidated net income for the period at Replacement Cost	**1,489**	**1,691**
Replacement Cost (1) +(2)	(38)	35
Consolidated net income for the period based on IFRS	**1,451**	**1,726**

5. Tangible assets

Accounting policies

Recognition

Tangible assets are stated at cost, less accumulated depreciation and cumulative impairment losses. The acquisition cost includes the purchase amount, plus transport and assembly costs, any decommissioning obligations and financial interest incurred during the construction phase. Tangible work-in-progress assets refer to assets under construction and are stated at cost less cumulative impairment losses.

Major maintenance and repairs

Expenditure on major maintenance or repairs represents the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was depreciated separately is replaced, and it is probable that the future economic benefits associated with the item will flow to the group, the expenditure is capitalised, and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programmes are capitalised and amortized over the period until the next inspection. Overhaul costs for major maintenance programmes, and all other maintenance costs, are expensed as they are incurred.

Upstream Tangible Assets

Hydrocarbon exploration costs are accounted for under the successful efforts' method: exploration costs are recognized in income when incurred (i.e. expenditure related to G&G – Geological & Geophysical – and G&A – General & Administrative), except for exploratory drilling costs, which are included in tangible assets (work-in-progress assets) pending determination of proved reserves and are subject to impairment test when triggers are identified. Dry wells are recorded as expenses for the year. At the start of production capitalised costs are depreciated based on the depreciation policy in force.

Depreciation

Upstream Tangible Assets

Tangible assets related to hydrocarbon production activities, including related pipelines, mineral rights and future decommissioning costs are in principle depreciated on a unit-of-production (UOP) basis over the proved developed reserves of the field concerned.

The UoP rate for the depreciation of common facilities considers the expenditure incurred to date, together with the estimated future capital expenditure expected to be incurred in relation to the as-yet undeveloped reserves expected to be processed using these common facilities. Floating platforms (FPSOs) are currently depreciated using the straight-line method, based on the lower of the estimated asset's useful life and the concession period of the field where the platform is deployed.

Depreciation rates for Tangible Assets

The average annual depreciation rates used are as follows:

Depreciation rates	2023	2022
Buildings and other constructions	4.0%	2.2%
Machinery and equipment	10.0%	13.4%
Transport equipment	12.0%	11.0%
Tools and utensils	11.0%	20.0%
Administrative equipment	14.0%	27.0%
Reusable containers	11.0%	14.0%
Other tangible assets	12.0%	13.0%

Impairment analysis

Impairment testing is performed at the date of the financial statements and whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable or previous years impairments are to be reversed. When performing impairment testing, tangible assets are allocated to the respective cash generating unit (CGU). The recoverable amount of an asset is estimated as part of the CGU to which it belongs, according to the discounted cash flow method. The discount rates are calculated by adjusting the post-tax rate to reflect the specific risk levels of the CGUs.

Industrial & Midstream and Commercial segments impairment tests

Tangible and intangible assets related to the Industrial & Midstream and Commercial segments are assessed by the Group for impairment at the end of each reporting period or when impairment indicators (or indicators for impairment reversal) are identified, considering internal and external sources of information.

Commercial

In its annual impairment testing of Commercial segment, the Group considers the service station cash generating unit as being each individual service station.

The impairment testing carried out by the Group is based on the estimated recoverable amount of each service station compared to its net book value at the end of each reporting period. The recoverable amount (value in use) determined by the Group corresponds to the present value of the expected future cash flow, which in turn is determined based on the annual budgets and business plans for the service station, using a post-tax discount rate adjusted for the specific risks of that segment.

Industrial & Midstream

Impairment testing is also performed on the other assets of the Industrial & Midstream segment, including Sines refinery and tangible assets associated with logistics and storage activities. The period of the cash flow projection varies as a function of the CGU's average economic useful life.

The determination of the value in use of refining assets was based on the assumptions defined in the business plan, as follows:

i. Refining margin
ii. Carbon prices
iii. Refinery availability
iv. Future operating and investments costs
v. Discount rate

Upstream segment impairment testing

Impairment on exploration and production assets are recorded when:

- Economically feasible reserves are not found;
- The exploration licence expires and is not expected to be renewed;
- When an acquired area is relinquished or abandoned; and
- When the carrying amount exceed its recoverable amount.

Tangible and intangible assets related to the Upstream segment are assessed for impairment by the Group periodically (annually, or quarterly where indications of impairment are identified). The selected CGU will be the project or the individual block, depending on the stage of maturity of the respective investment. The assessment for impairment is carried out in accordance with the expected monetary value (EMV model), comparing the carrying amount of the investment with the present value of the expected future cash flow using a post-tax discount rate adjusted for the risks specific to the asset for which the future cash flow estimates have not been adjusted, calculated considering the estimates of:

i. The probable reserves;
ii. The investment and future operating costs needed to recover the probable reserves;
iii. The amount of any contingent resources, adjusted to reflect the probability of geological success;
iv. The investment and future operating costs required to recover the contingent resources;
v. The reference price of a barrel of Brent crude;
vi. The applicable exchange rates;
vii. The CGU taxation mechanisms;
viii. The estimated production level and concession period; and
ix. The asset retirement obligations.

The EMV model considers in its calculation the PoS (the probability of geological success a.k.a. the probability of success), which is a conditional statistical probability (Bayesian probability). This probability is used in geological science as part of a probability matrix based on seismic information and other G&G information. This underlying information takes into account the quantity, quality and certainty of the reserves (data controls). The cash flow projection period is equal to the recovery of the reserves and resources during the concession period, up to the limit of the terms of the respective concession agreements, if applicable.

Galp can carry out impairment testing at any stage of exploration and production, i.e. in the exploration, development and production stages, when facts and circumstances suggest that the carrying amount of an exploration and production asset may exceed its recoverable amount.

In the exploration phase, the CGU depends on the stage at which the investment is made in each project. For example, at an early investment stage, the CGU will be the country-level entity, given that the investment also includes investments in signature bonuses and any generic research performed in the area. Once an overall area is divided into blocks by the relevant country's authorities, Galp will recognise each block as a CGU, down levelling the assessment for the purposes of impairment testing. As there are no reserves at this stage, Galp carries out impairment testing of prospective and contingent resources with a very low PoS.

If proved reserves are booked, the investment moves into the development stage, having already been subject to impairment testing. During the development phase and if required, the impairment analysis also considers the PoS (which is higher than at earlier stages, since there is now an estimate of the commercially viable reserves) and 2P reserves (probable reserves) in order to estimate the future cashflows that are expected to be generated by the block under analysis.

Accounting estimates and judgments

Commodity price assumptions

Future commodity price assumptions and refining margin used in the impairment testing in the Upstream and Industrial & Midstream (refining asset) segments, respectively, are regularly assessed by management.

Management's estimate of refining margins used in the impairment testing was based on a linear refinery simulation software considering the current refinery configuration and to generate, on an optimized basis, estimated refinery products yields and energy consumption data based on a refining mixture of available brent and other refinery feedstocks. Galp's refining margin also incorporates the costs associated with CO_2 emissions.

Future commodities prices and refining margins used in impairment testing provide a source of estimation uncertainty as referred to in paragraph 125 of IAS 1 Presentation of Financial Statements (IAS 1.125).

Information about the carrying amounts of assets and impairments and their sensitivity to changes in significant estimates are presented in this Note 5.

Oil and gas reserves

The estimate of oil and gas reserves is an integral part of the decision-making process relating to the exploration and development of Upstream assets. The volume of proved reserves is used to calculate the depreciation of exploration and production assets, in accordance with the units of production method. The expected production volumes, which comprise proved reserves and unproved volumes is used to assess the project's recoverable amount. The estimated proved reserves are also used to assess the annual abandonment costs. The estimated proved reserves are subject to judgment, and to future revision based on newly available information, including information relating to the development activities, drilling or production, prices or contract termination. The impact of any changes to the estimates of reserves are accounted for on a prospective basis.

The estimates of oil and gas reserves, and any movements occurring during the year, are described in the Supplementary Information of the Integrated Report, which is not audited.

Useful lives and residual values of tangible assets

The calculation of the assets' residual values and useful lives, as well as the method to be applied, are necessary to determine the depreciation to be recognized in the consolidated income statement for each period. These parameters are set based on management's judgment, as well as being in line with the practices adopted in the industry. Changes in assets' economic useful lives are accounted for on a prospective basis.

Unit: €m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
As at 31 December 2023					
Acquisition cost	1,338	11,401	534	2,641	15,913
Impairment	(37)	(226)	(3)	(234)	(501)
Accumulated depreciation and depletion	(812)	(8,131)	(441)	0	(9,384)
Net value	**489**	**3,044**	**90**	**2,406**	**6,029**
As at 31 December 2022					
Acquisition cost	1,300	11,167	523	2,189	15,179
Impairment	(39)	(232)	(3)	(279)	(553)
Accumulated depreciation and depletion	(801)	(7,668)	(456)	0	(8,925)
Net value	**459**	**3,267**	**64**	**1,910**	**5,700**

Movements in tangible assets in 2023 and 2022 are as follows:

Unit: €m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
Balance as at 1 January 2022	**462**	**2,866**	**46**	**1,794**	**5,169**
Additions	0	321	1	714	1,036
Depreciation, depletion and impairment	(36)	(763)	(19)	(176)	(994)
Disposals/Write-offs	(2)	(16)	(2)	(5)	(25)
Transfers	21	580	25	(625)	0
Currency exchange differences and other adjustments	13	279	13	209	514
Balance as at 31 December 2022	**459**	**3,267**	**64**	**1,910**	**5,700**
Balance as at 1 January 2023	**459**	**3,267**	**64**	**1,910**	**5,700**
Additions	1	56	0	1,056	1,113
Depreciation, depletion and impairment	(22)	(594)	(25)	(35)	(677)
Disposals/Write-offs	(3)	(34)	0	(50)	(87)
Transfers	54	443	51	(548)	0
Currency exchange differences and other adjustments	1	(94)	0	73	(20)
Balance as at 31 December 2023	**489**	**3,044**	**90**	**2,406**	**6,029**

During the year ended 31 December 2023, the Group made mainly investments in the Upstream segment in relation to projects in Brazil (€431 m), Mozambique (€43 m) and Namibia (€117 m). Investments were made also in the segments of Industrial & Midstream (€196 m), Commercial (€119 m), Renewables (€145 m) and Others (€14 m). The amounts mentioned above exclude the capitalisation of financial charges in the amount of €48 m (Note 27).

In the current year, Galp recognized an impairment on tangible assets of €40 m mainly related with renewables assets in Brazil (€5 m) and in Spain (€6 m), industrial and commercial assets in Portugal (€15 m) and retail distribution assets (Portugal and Spain) (€3,5 m). The disposals/write-offs in the period related with fully impaired exploration and appraisal assets in Brazil (€50 m) and industrial assets (€ 33 m).

Upstream segment assets

Details of assets under construction and assets in production for the Upstream segment for the years ended 31 December 2023 and 2022, including Tangible and Intangible Assets, are presented in the table below:

Unit: €m

	Africa		Latin America		Total	
	2023	2022	2023	2022	2023	2022
Exploration and Production Assets	**740**	**623**	**3.121**	**3,203**	**3,860**	**3,826**
Assets under construction	**541**	**382**	**1,616**	**1,161**	**2,157**	**1,543**
Mineral Rights	0	0	0	0	0	0
In exploration	389	322	0	137	389	459
In development	115	0	1,492	981	1,607	981
Financial interests	9	37	123	43	132	80
Others	28	23	0	0	28	23
Assets already in production	**199**	**241**	**1,505**	**2,042**	**1,704**	**2,283**
Mineral Rights	6	9	0	289	6	298
In production	193	216	1,503	1,639	1,696	1,855
Financial interests	0	16	2	113	2	129
Others	0	0	0	1	0	1

Impairment Analysis

Refinery, logistics and storage facilities

Impairment testing was carried out for several CGUs of the Industrial & Midstream segment, including *Refinery and Storage facilities*. Based on the impairment testing carried out, the expected future benefits from the assets are higher than the carrying amount.

The future cash flow projections at the CGU level have been discounted using an appropriate discount rate which reflects the asset's specific risks (2023: 8.3% and 2022: 9.2%).

Year-end analysis of the sensitivity of the carrying amount of the refining assets included fluctuations in the cashflows, refining margin and discount rates. The forecast refining margin (nominal terms) considered in the impairment testing were in a range from $6.7/bbl to $8.8/bbl during the business plan period, decreasing to around $4/bbl on the long term (2034 onwards).

The sensitivity test assumptions were a 10% decrease in cashflows or a 1% increase in the discount rate with no impairment identified.

Retail distribution assets

A total impairment of €3.5 m in Tangible assets regarding the retail distribution assets in Portugal and Spain.

The future cash flow projections at the CGU level have been discounted using an appropriate discount rate which reflects the asset's specific risks (2023:6.3-6.5% and 2022:6.6%).

The sensitivity test assumptions were a 10% decrease in cashflows or an increase of 1% in the discount rate, could lead to an additional potential impairment of €18 m regarding the retail distribution assets in Portugal and Spain.

Upstream segment assets

Tangible and intangible assets of the Upstream segment were subject to an impairment test and year-end analysis of the sensitivity of the carrying value of the main assets to fluctuations in the Brent price.

The forecast Brent prices (nominal terms) considered in the impairment testing were as follows: 80 $/bbl to 83 $/bbl during the period of 2024 to 2028, 81 $/bbl to 87 $/bbl from 2029 to 2033 and, for the long-term (2034 onwards) around 70 $/bbl (in real terms).

For those assets already in development and production, and despite the fact that no triggers were identified, the impairment assessments show that the expected future benefits from the assets are higher than the carrying value per CGU for the regions in which Galp operates (Mozambique and Brazil). For Angola a fair value analysis was made since the assets will be sold rather then used by Galp. No impairment is expected on the assets that are available for sale.

The discount rate used in the impairment test reflects the risks specific to the Upstream assets for which the future cash flow estimates have not been adjusted, calculated on a USD basis (2023:11.7% and 2022:11.6%).

A sensitivity analysis was carried out to test the impact of the volatility of the Brent price on the value of the main Upstream assets. The sensitivity analysis was prepared using a 10% decrease in cash flows and an increase of 1% in the discount rate. The results from the analysis indicate that no potential impairment in the geographical areas mentioned.

Renewables segment assets

Impairment test was done to tangible and intangible assets of the renewables segment. The cash flow projections at the CGU level were discounted using an appropriate discount rate which reflects the asset´s specific risks (2023:5.8%-6.2%; 2022:6.4%). An impairment of €52 m was recognised regarding renewables in Brazil (of which €5 m related to tangible assets and €42 m related to intangible assets) and in Spain (of which €6 m related to tangible assets). For other renewables assets a sensitivity analysis was conducted considering 10% decrease in cashflows or an increase of 1% in the discount rate. Using these assumptions could lead to a potential impairment of €8 m.

6. Intangible assets

Accounting policies

Recognition

Intangible assets are measured at cost, less accumulated amortisation and impairment losses. Intangible assets are identifiable non-monetary intangible assets, which are only recorded if it is probable that they will result in future economic benefits to the Group, these benefits are controlled by the Group and they can be reliably measured.

Intangible assets include costs incurred for the development of information systems, bonuses paid to retailers of Galp products, and land rights, which are amortized over the periods of the respective agreements.

Research and development

Research expenses not related to petroleum exploration and production activities are recognized as expenses for the period. Development expenses are only recognized as intangible assets if the Group has the technical and financial ability to develop the asset, decides to complete the development and starts commercially exploiting or using it, and it is probable that the asset created will generate future economic benefits.

Upstream

Signature bonuses (i.e. Mineral Rights) are ownership rights to explore oil and gas resources and are recognized as intangible assets.

See further details of the recognition policies for Upstream assets in Note 5.

Amortisation

Intangible assets with finite useful lives are amortized on a straight-line basis. The amortisation rates are set in accordance with the terms of the existing contracts, or with the expected use of the intangible assets. Intangible assets recognized in the exploration and production segment, namely signature bonuses, are recorded at their acquisition cost and are amortized on a UoP basis from the date on which production starts.

Impairment

The impairment testing of intangible assets is based on Management's projections of the net present value of the estimated future cash flows. The residual values used are based on the expected lives of the related products, the forecast lifecycle and the cash flow over that period, and on the economically useful lives of the underlying assets.

Accounting estimates and judgments

Useful lives and residual values of intangible assets

The calculation of the assets' residual values and useful lives, as well as the amortisation method to be applied, are essential to determine the amortisation recognized in the consolidated income statement for each period. These parameters are set based on the judgment of Management, as well as the practices adopted by peers in the industry.

Impairment of intangible assets

Determining whether impairment of assets has occurred requires a high level of judgment by management, specifically around identifying and evaluating indicators for impairment or impairment reversal, projection of future cashflows, applicable discount rates, useful lives and residual amounts. Refer to Note 5. for further details on impairment analysis.

Unit: €m

	Industrial properties and other rights	Intangible assets in progress	Total
As at 31 December 2023			
Acquisition cost	1,319	93	1,412
Impairment	(169)	(23)	(192)
Accumulated amortisation	(561)	0	(561)
Net Value	**589**	**69**	**659**
As at 31 December 2022			
Acquisition cost	1,247	126	1,372
Impairment	(156)	(24)	(180)
Accumulated amortisation	(520)	0	(520)
Net Value	**571**	**102**	**672**

Movements in intangible assets in 2023 and 2022 are as follows:

Unit: €m

	Industrial properties and other rights	Intangible assets in progress	Total
Balance as at 1 January 2022	**595**	**50**	**645**
Additions	(7)	48	41
Amortisation and impairment	(182)	0	(182)
Write-offs/Disposals	0	0	0
Transfers	37	(37)	0
Currency exchange differences and other adjustments	129	41	170
Balance as at 31 December 2022	**572**	**101**	**672**
Balance as at 1 January 2023	**572**	**101**	**672**
Additions	6	45	51
Amortisation and impairment	(92)	0	(92)
Write-offs/Disposals	(21)	0	(21)
Transfers	45	(45)	0
Currency exchange differences and other adjustments	81	(32)	48
Balance as at 31 December 2023	**589**	**69**	**659**

Additions to intangible assets occurred essentially in the Commercial segment of €24 m and Corporate of €27 m.

In the current year, Galp recognized an impairment of €42 m related with the renewables assets in Brazil.

7. Leases

Accounting policies

Recognition

The Group recognises both a right-of-use asset and a lease liability as of the lease commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to dismantle and remove the underlying asset or restore the site on which it is located (if applicable), less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid up to the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The types of lease payments included in the measurement of the lease liability are as follows:

- Fixed payments, including in-kind fixed payments;
- Variable lease payments that are pegged to an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to be able to exercise, lease payments over an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for the early termination of a lease, unless the Group is reasonably certain not to terminate it early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there are changes in the amounts of future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in a separate line in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have lease terms of 12 months or less, and leases of low-value assets. The Group recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those used for the property and equipment items.

Accounting estimates and judgments

Useful lives, residual values of assets and discount rates

The calculation of the assets' residual values, the estimation of the useful lives, and the discount rates used are based on the premises of the lease contracts (or for similar assets) and are set based on Management's judgment, as well as the practices in the industry.

Impairment of Right-of-use Assets

Identifying impairment indicators, estimating future cash flow and determining the fair value of assets requires Management to use significant judgment in terms of the identification and evaluation of the different impairment indicators, the expected cash flow, the applicable discount rates, useful lives and residual amounts. Rights-of-use assets are subject to existing impairment requirements as set out in "Tangible assets" (Note 5).

The details of right-of-use assets are as follows:

Unit: €m

	FPSO's[1]	Buildings	Service stations	Time Charter	Other usage rights	Total
As at 31 December 2023						
Acquisition cost	1,200	93	319	316	284	2,212
Accumulated depreciation	(237)	(18)	(78)	(132)	(83)	(549)
Impairment	0	0	(33)	0	0	(33)
Net Value	**963**	**75**	**208**	**184**	**200**	**1,630**
As at 31 December 2022						
Acquisition cost	697	37	291	227	288	1,540
Accumulated depreciation	(187)	(21)	(43)	(76)	(64)	(391)
Impairment	0	0	(33)	0	0	(33)
Net Value	**510**	**16**	**215**	**151**	**224**	**1,116**

Movements in right-of-use assets in 2023 and 2022 are as follows:

Unit: €m

	FPSO's[1]	Buildings	Service stations	Time Charter	Other usage rights	Total
As at 1 January 2022	**565**	**75**	**212**	**59**	**168**	**1,079**
Additions	0	0	29	137	23	189
Depreciation	(47)	(5)	(68)	(50)	(15)	(185)
Write-offs/Disposals	0	(54)	0	0	0	(54)
Currency exchange differences and other adjustments	(8)	0	41	5	48	86
Balance as at 31 December 2022	**510**	**16**	**215**	**151**	**224**	**1,116**
As at 1 January 2023	**510**	**16**	**215**	**151**	**224**	**1,116**
Additions	485	69	29	96	29	708
Depreciations and impairments	(58)	(7)	(36)	(59)	(18)	(178)
Write-offs/Disposals	0	0	0	0	0	0
Currency exchange differences and other adjustments	26	(3)	0	(4)	(35)	(15)
Balance as at 31 December 2023	**963**	**75**	**208**	**184**	**201**	**1,630**

[1] Floating, production, storage and offloading unit – floating oil production system, built on a ship structure, with a capacity for oil and natural gas production processing, liquid storage and transfer of oil to tankers (it includes the FLNG Vessel (Floating liquified natural gas)).

In the current year Galp had several new lease contracts, being the most relevant in relation to the Coral FLNG vessel (€485 m), the new head-office lease (€69 m) and the new longterm charter agreement for a LNG carrier (€90 m).

Lease liabilities are as follows:

Unit: €m

	2023	2022
Maturity analysis – contractual undiscounted cash flow	**2,649**	**1,835**
Less than one year	309	209
One to five years	1,038	697
More than five years	1,301	929
Lease liabilities included in the consolidated statement of financial position	**1,810**	**1,277**
Current	267	182
Non-current	1,543	1,095

The amounts recognized in consolidated profit or loss are as follows:

Unit: €m

	Notes	2023	2022
		769	**600**
Interest on lease liabilities	27	102	85
Expenses related to short term, low value and variable payments of operating leases [1]		667	515

[1] Includes variable payments and short-term leases recognised under the heading Transport of goods.

The amounts recognized in the consolidated statement of cash flow are as follows:

Unit: €m

	2023	2022
Financing activities	**259**	**217**
Payments relating to leases	157	132
Payments relating to lease interests	102	85

8. Goodwill

Recognition

The differences between the investee's acquisition cost and the fair value of the identifiable assets and liabilities of the acquired entities at the acquisition date, if positive, are recorded within goodwill (when they result from goodwill in Group companies) or included in the line item "Investments in associated companies" (when they result from goodwill in associates). The negative differences are recognized immediately in the income statement.

Impairment

The carrying value of Goodwill is allocated to the respective CGU, and the recoverable amount is also estimated for the CGU, using the value in use methodology. The value in use represents the expected future cash flow from the CGU, discounted at an appropriate discount rate that reflects the risks specific to the CGU. The carrying amount of goodwill is tested for impairment annually. Refer to Note 5. for further details on impairment analysis.

Unit: €m

	2023	2022
	44	**70**
Galp Comercialização Portugal, S.A. (incorporated in Petrogal)	34	34
Galp Eswatini (PTY) Limited	0	21
Galpgest – Petrogal Estaciones de Servicio, S.L.U.	6	6
Empresa Nacional de Combustíveis – Enacol, S.A.R.L.	4	4
Galp Moçambique, Lda.	0	4
Others	0	1

The movement of Goodwill during 2023 and 2022 was as follows:

Unit: €m

	Goodwill
Balance as at 1 January 2023	**70**
Additions	0
Impairment	(25)
Currency exchange differences and other adjustments	(1)
Balance as at 31 December 2023	**44**
Balance as at 1 January 2022	**84**
Additions	1
Impairment	(16)
Currency exchange differences and other adjustments	0
Balance as at 31 December 2022	**70**

Impairment losses in 2023 related to African commercial business (retail assets), amounting to €25 m.

Impairment losses in 2022 related with retail distribution assets in Portugal. Goodwill impairment was reflected in the Consolidated Income Statement in the caption of "Amortisation, depreciation and impairment losses on fixed assets".

9. Investments in associates and joint ventures

Accounting policies

Joint Arrangements and Associates

Arrangements under which Galp has contractually agreed to share control with another party or parties are deemed to be joint arrangements. These may be joint ventures where the parties have rights to the net assets of the arrangement, or joint operations where the parties have rights to the assets and obligations arising from the liabilities relating to the arrangement. Investments in entities over which Galp has the right to exercise significant influence but has neither control nor joint control, are classified as associates.

Investments in joint ventures and associates are accounted for using the equity method, under which the investment is initially recognized at cost and subsequently adjusted for Galp's share of post-acquisition net results. The investments are also adjusted for the dividends received and for Galp's share of other comprehensive income. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects Galp's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of Galp's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, Galp recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between Group Galp and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as Galp Group.

When necessary, adjustments are made to the financial statements of joint ventures and associates to bring the accounting policies used into line with those of Galp. Galp recognises its assets and liabilities relating to its interests in joint operations, including its share of any assets held jointly and liabilities incurred jointly with other partners.

Impairment

After application of the equity method, Galp determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, Galp determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, Galp calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Earnings from associates and joint ventures" in the statement of profit or loss.

Accounting estimates and judgements

Impairment

Determining whether impairment of assets has occurred requires a high level of judgment by management, specifically around identifying and evaluating indicators for impairment or impairment reversal, projection of future cashflows and applicable discount rates. The key assumptions used to determine the recoverable amount for the relevant joint venture (Coral FLNG), which belongs to Upstream segment are disclosed in Note 5.

Information about joint arrangements and associates can be found in Note 31.

As of 31 December 2023 and of 31 December 2022, the net book values of investments in joint ventures and associates were as follows:

Unit: €m

	2023	2022
	255	**417**
Joint ventures	131	292
Associates	124	125

Movements in Joint Ventures are as follows:

Unit: €m

	As at 31 December 2022	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	Reclassification	As at 31 December 2023
	292	**(182)**	**(23)**	**47**	**(4)**	**0**	**131**
Coral FLNG, S.A.	279	(174)	(23)	28	0	0	110
Other joint ventures	13	(7)	0	19	(4)	0	21

The decrease of €174 m in Coral FLNG stake is related to the "Shareholder Loan Agreement" reclassification into "Financial assets not measured at fair value (Note 12). The non-bearing interest loan has a final repayment date of 31 January 2035 and was discounted using current market interest rates for similar instruments. The difference between the loan amount and its fair value, which, at origination, is treated as an equity contribution to Coral FLNG (being presented under this caption), amounts to €76 m.

A summary of the financial indicators of the significant joint ventures as of 31 December 2023 is shown below:

Unit: €m

	Coral FLNG, S.A.*
Total non-current assets	**7,247**
Total current assets	**624**
Of which cash and cash equivalents	434
Total assets	**7,871**
Total non-current liabilities	**5,783**
Of which debt	4,200
Total current liabilities	**854**
Of which debt	-
Total liabilities	**6,637**
Total operating income	**102**
Total operating costs	**(120)**
Operating results	(18)
Net financial results	(144)
Profit before taxes	**(161)**
Income taxes	28
Net income for the year	**(133)**

* Provisional financial statement as of the closing date used to apply the equity method, converted at the spot and average exchange rates, respectively, for balance sheet and results indicators.

Movements in Associates are as follows:

Unit: €m

	As at 31 December 2022	Share capital increase/ decrease	Equity Method	Foreign exchange rate differences and other adjustments	Dividends	Reclassification	As at 31 December 2023
	125	(17)	33	(7)	(9)	0	124
Belém Bioenergia Brasil, S.A.	73	(19)	25	3	(3)	0	79
Floene Energias, S.A.	8	0	0	0	0	0	8
Other associates	43	2	8	(10)	(6)	0	37

For comparative information on Joint Ventures and Associates, please refer to the consolidated financial statements for the year ended 31 December 2022.

Earnings from associate and joint ventures amount to a gain of €10 m.

Dividends received in the period plus share capital reductions distributions amounted to €31 m (2022: €26 m).

Based on the impairment analysis carried out for the relevant investments in joint ventures and associates, no evidence of impairment exists and, as such, no impairment has been recorded.

Transactions with joint ventures and associates

Refer to Note 29 for details on the nature of the transactions and balances.

10. Inventories

Accounting policies

Inventories, other than Crude Oil held for trading, are stated at the lower of the acquisition cost (in the case of goods and raw and subsidiary materials) or the production cost (in the case of finished and semi-finished products and work in progress) or the inventories' net realisable value. The net realisable value corresponds to the normal selling price less costs to complete production and to sell. Whenever the cost exceeds the net realisable value, the difference is recorded in operating costs as part of the cost of sales.

Unit: €m

	2023	2022
	1,447	**1,361**
Raw, subsidiary and consumable materials	383	276
Crude oil	19	103
Crude oil in transit	115	0
Other raw materials	96	126
Gas	4	0
Raw materials in transit	150	46
Finished and semi-finished products	713	811
Finished and semi-finished products in transit	44	0
Goods	375	389
Write-downs	(69)	(115)

The changes to write-downs were as follows:

Unit: €m

	Notes	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Total
Write-downs at the beginning of the year		**43**	**57**	**14**	**115**
Net reductions	25	(33)	(17)	13	(37)
Other adjustments		0	0	(9)	(9)
Write-downs at the end of the year		**10**	**40**	**18**	**69**

11. Trade and other receivables

Accounting policies

Accounts receivable are initially recorded at the transaction value and subsequently measured at amortized cost, less any impairment losses. The amortized cost of these assets does not differ from their nominal value or their fair value. Galp undertakes over – and underlifting activities for its share of crude. Under – and overlifting are common industry practices intended to optimise the allocation of transportation costs between partners. Payments and receipts related to over – and underlifting are made at a subsequent date in barrels of crude, as defined by the applicable production sharing agreement (PSA).

Trade and other receivables are derecognized when the contractual rights to the cash flow expire (i.e. they are collected), when they are transferred (e.g. sold) or when they are impaired.

Accounting estimates and judgments

Impairment of accounts receivable

The Group applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Trade receivables were grouped by business segment for the purposes of the assessment of expected credit losses. The credit risk of the accounts receivable balance is evaluated at each reporting date, taking into consideration the client's credit risk profile. The credit risk analysis is based on the annual default probability, and also takes into account the loss in the event of default. The default probability represents an annual probability of default, reflecting the current and projected information and taking into account macroeconomic factors, whereas the loss in the event of default represents the expected loss when a default occurs.

Accounts receivable are adjusted for Management's estimate of the collection risks as of the statement of financial position date, which may differ from the actual impairment to be incurred.

Credit Risk

For Credit Risk purposes, if wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Credit Risk assessment considers the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Wholesale customers' compliance with credit limits is regularly monitored by Management.

Sales to retail customers are required to be settled in cash or using major credit cards, thus mitigating the credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For further credit risk mitigation measures, guarantees and insurance policies for eventual credit defaults are a standard part of Galp's overall risk policy.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Trade receivables

Unit: €m

	Notes	2023	2022
		1,395	**1,464**
Trade receivables		1,507	1,595
Allowance for doubtful amounts		(111)	(131)
Ageing of trade receivables	**Exposure to risk**	**1,395**	**1,464**
Not yet due	Low	1,304	1,382
Overdue up to 180 days	Medium	74	24
Overdue between 181 days and 365 days	High	3	16
Overdue over 365 days	Very High	14	42
Movements in allowance for doubtful trade receivables			
Allowance at the beginning of the year		**131**	**136**
Increase	25	38	9
Decrease	25	(50)	(4)
Utilisation		(7)	(7)
Other adjustments		0	(3)
Allowance at the end of the year		**111**	**131**

Other receivables

Unit: €m

	Notes	2023		2022	
		Current	Non-current	Current	Non-current
		931	**305**	**942**	**263**
State and other Public Entities		**109**	**0**	**82**	**0**
Other debtors		**328**	**225**	**320**	**167**
Non-operated oil blocks		26	0	65	0
Underlifting		108	0	90	0
Other receivables		195	225	165	167
Related Parties		**2**	**0**	**2**	**0**
Contract Assets		**347**	**48**	**401**	**64**
Sales and services rendered but not yet invoiced		224	0	323	0
Adjustment to tariff deviation – "pass through"		26	0	27	0
Other accrued income		97	48	51	64
Deferred charges		**154**	**32**	**147**	**32**
Energy sector extraordinary contribution	16	6	11	8	16
Deferred charges for services		4	11	4	13
Other deferred charges		144	11	134	3
Impairment of other receivables		**(10)**	**0**	**(10)**	**0**

Non-operated oil blocks debtors decrease is mainly related to the decrease in Petrogal Brasil, S.A. debtors.

Non-current other deferred charges include the amount of €9 m (2022: €1 m) related to the post-employment benefits asset (Note 17). Other deferred charges (current) include €73 m (2022: €85 m) of acquired CO_2 licenses to be used essentially in 2024 to satisfy environmental obligations.

Other non-current receivables include a €222 m (2022: €164 m) judicial deposit in relation to a claim between the BM-S-11 consortium and ANP. The ANP agency stated that the oilfields of Lula and Cernambi, which are within BM-S-11, should be unified for SPT purposes, although the consortium claims otherwise; thus, the judicial deposit represents part of the difference between the two criteria under discussion.

Sales and services rendered but not yet invoiced decreased compared to prior year reflecting a lower commodity price environment (gas and power) at year-end and lower demand on natural gas.

Other accrued income (current) includes mainly accruals regarding other operating revenue while non-current includes natural gas tariffs deviations from regulated market.

12. Other financial assets

Accounting policies

For accounting policies regarding Other financial assets, please refer to the disclosure in Note 20.

Unit: €m

	Notes	2023		2022	
		Current	Non-current	Current	Non-current
		207	**351**	**339**	**256**
Financial Assets at fair value through profit & loss – derivatives	19	165	96	304	110
Financial Assets at fair value through comprehensive income		0	1	0	3
Financial Assets not measured at fair value – Loans and Capital subscription		41	235	34	102
Others		1	19	1	42

Financial assets at fair value through profit or loss refer to financial derivatives (Note 19). The increase of Financial assets not measured at fair value – Loans and Capital subscription includes a reclassification of a loan from Investments in joint ventures amounting to €174 m (Note 9). As at 31 December 2023, the fair value of Coral FLNG "Shareholder Loan Agreement" amounts to € 169 m (Note 29).

During the year the loan to Galp IPG Matola Terminal Lda. was fully reimbursed (€ 39 m).

13. Cash and cash equivalents

Accounting policies

The amounts included in cash and cash equivalents correspond to cash values, bank deposits, time deposits and other cash investments with maturities less than three months, and which can be immediately mobilised with a risk of insignificant changes in value.

For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts recorded as loans and overdrafts in the statement of financial position.

Financial resources consist of cash and cash equivalents, marketable securities with original maturities less than three months and undrawn committed credit facilities expiring after more than one year.

For the periods ending 31 December 2023 and 2022, the details of cash and cash equivalents were as follows:

Unit: €m

	Notes	2023	2022
		2,071	**2,421**
Cash in banks		2,200	2,432
Bank overdrafts	14	(129)	(11)

14. Debt

Accounting policy

Loans are initially recorded at fair value, net of the expenses incurred on the issuance of these loans. Loans are subsequently measured at amortized cost. Interest expenses are calculated at the effective interest rate and recorded in the income statement on an accruals basis in accordance with each loan agreement.

Unit: €m

	Notes	2023		2022	
		Current	Non-current	Current	Non-current
		575	**3,026**	**800**	**3,187**
Bank loans		**279**	**1,392**	**50**	**1,470**
Origination fees		0	(6)	(0)	(6)
Loans and commercial paper		150	1,398	39	1,476
Bank overdrafts	13	129	0	11	0
Bonds and notes		**295**	**1,634**	**750**	**1,717**
Origination fees		0	(5)	0	(7)
Bonds		295	1,139	250	1,224
Notes		0	500	500	500

The average cost of financial debt for the period under review, including charges for credit lines and overdrafts, amounted to 3.53% (1.68% in 2022). As of 31 December 2023, of the total amount of €3,601 m related to total debt (excluding credit lines and overdrafts), approximately €1,489 m refers to loan at fixed-rate interest.

The fair value of the note was €484 m as of 31 December 2023 and €460 m as of 31 December 2022, measured based on observable market variables, and classified at Level 1 of the Fair Value hierarchy (see Fair Value Hierarchy in Note 20).

Current and non-current loans and bonds, excluding origination fees and bank overdrafts, have the following repayment plan as of 31 December 2023:

Unit: €m

Maturity	Loans		
	Total	Current	Non-current
	3,483	**445**	**3,038**
2024	445	445	0
2025	543	0	543
2026	784	0	784
2027	1,046	0	1,046
2028 onwards	665	0	665

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2022.

Changes in debt during the period from 31 December 2023 to 31 December 2022 were as follows:

Unit: €m

	Initial balance	Loans obtained	Principal Repayment	Changes in Overdrafts	Foreign exchange rate differences and others	Ending balance
	3,987	**1,904**	**(2,409)**	**118**	**(0)**	**3,600**
Bank Loans:	**1,520**	**1,685**	**(1,654)**	**118**	**2**	**1,671**
Origination fees	(6)	0	0	0	0	(6)
Loans and commercial papers	1,515	1,685	(1,654)	0	2	1,548
Bank overdrafts	11	0	0	118	0	129
Bonds and Notes:	**2,467**	**219**	**(755)**	**0**	**(2)**	**1,929**
Origination fees	(7)	0	0	0	2	(5)
Bonds	1,474	219	(255)	0	(4)	1,434
Notes	1,000	0	(500)	0	0	500

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2022.

The bonds issued during 2023 were as follows:

Unit: €m

Issuance	Due amount	Interest rate	Maturity
	219		
GALP ENERGIA/2023	150	Euribor 6M + spread	March 2028
GALP PARQUES FOTOVOLTAICOS DE ALCOUTIM/2023	69	Euribor 6M + spread	June 2043

The bond reimbursements during 2023 were as follows:

Unit: €m

Reimbursements	Due amount	Interest rate	Maturity	Reimbursement
	750			
GALP ENERGIA/2017-EMTN-EUR 500.000.000 FIXED RATE NOTES	500	Fixed	February 2023	February 2023
EUR 100,000,000 Floating Rate Notes due 2023	100	Euribor 6M + spread	February 2023	February 2023
EUR 150,000,000 Floating Rate Notes due 2023	150	Euribor 6M + spread	March 2023	March 2023

Additionally, Galp reimbursed €5m of scheduled Project Finance debt during 2023.

15. Trade payables and other liabilities

Accounting policy

Trade payables and other payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Usually, the amortized cost does not differ from the nominal value.

Unit: €m

	2023		2022	
	Current	Non-current	Current	Non-current
Suppliers	**1,268**	**0**	**1,005**	**0**
Other creditors	**1,758**	**95**	**1,506**	**99**
State and other public entities	**421**	**0**	**346**	**0**
Payable VAT	264	0	246	0
"ISP" – Tax on oil products	107	0	88	0
Other taxes	51	0	12	0
Other payables	**279**	**43**	**331**	**44**
Tangible and intangible assets suppliers	184	43	196	44
Other Creditors	95	0	135	0
Related parties	**38**	**(3)**	**20**	**0**
Other accounts payables	**130**	**11**	**88**	**10**
Accrued costs	**781**	**23**	**701**	**36**
External supplies and services	579	0	515	0
Holiday, holiday subsidy and corresponding contributions	102	1	83	6
Other accrued costs	101	21	103	30
Contract liabilities	**28**	**0**	**17**	**0**
Other deferred income	**81**	**21**	**4**	**10**

The amounts recorded as suppliers mainly relate to purchases of crude oil, natural gas, electricity and goods in transit on those dates.

"State and other public entities – other taxes" includes an amount of €33 m referring to amounts payable related to the windfall taxes.

"Other creditors" include €18 m of advances from Clients (2022: €49 m) and €75 m of payables to non-operating oil blocks (2022: €89 m).

"Other deferred income" includes €77 m of the initial proceeds (downpayment) related to the sale of Angola Upstream assets (Note 2.2.2).

16. Taxes, deferred income taxes and contributions

Accounting policies

Income tax is calculated based on the taxable results of the companies included in the consolidation in accordance with the applicable tax rules in each country in which Galp operates.

Deferred income taxes arise from temporary differences between the accounting and taxable values of the individual consolidated companies and from the realisable tax loss carried forward. The taxable value of the tax loss carried forward is included in deferred tax assets to the extent that these are expected to be utilised against future taxable income. The deferred income taxes are measured according to the current tax rules and the tax rates substantially enacted up to the end of the reporting period.

The Group pays taxes and Special Participation Tax on its Upstream activity, which the Company classifies as income taxes and Special Participation Tax, namely:

- Petroleum income tax (IRP) in Angola, as regulated under Law 13/04. The rate applicable to the PSA contracts is 50% on the projects' "profit oil". The IRP calculation is in all respects similar to an income tax. Thus, oil companies subject to IRP are not subject to other income taxes in Angola;

- Special Participation Tax (SPT) in Brazil, as regulated under Decree-Law No 2.705 issued by the Agencia Nacional do Petroleo, Gas Natural e Biocombustiveis (ANP). SPT is a contribution, due on a quarterly basis, calculated by oil and natural gas concessionaires based on the production from each project. The Special Participation is calculated on the determined income, from which operational costs related to the production of hydrocarbons are deducted. The SPT rate varies between 0% and 40% depending on the project's production level.

Accounting estimates and judgments

Galp is subject to income taxes in the locations in which it operates. Significant judgments and estimates are required to determine the worldwide accrual for income taxes, deferred income tax assets and liabilities, and the provision for uncertain tax positions.

Deferred tax assets

Deferred tax assets are recognized only when there is reasonable assurance that future taxable profits will be available against which the temporary differences can be used, or when there are deferred tax liabilities for which reversal is expected within the same period as that in which the deferred tax assets are reversed. Deferred tax assets are evaluated by Management at the end of each period, taking into account expectations of the Group's future performance (i.e. the Budget Plan), and such assets are only recognized if there is a high expectancy of future recovery.

Estimates regarding uncertain tax positions

As part of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management's judgment is used to assess the possible outcome of such disputes. The most-probable-outcome method is applied when making provisions for uncertain tax positions and Galp considers the booked provisions to be adequate. Nevertheless, the actual obligation may differ, and depends on the results of litigation and settlements with the relevant authorities.

As of 31 December 2023, and 31 December 2022, the current income tax payable is as follows:

Unit: €m

	Assets		Liabilities	
	2023	2022	2023	2022
	0	**3**	**(311)**	**(361)**
State and other public entities	0	3	(311)	(361)

The total income tax, IRP, SPT and CESE I paid during the year 2023 was €1,355 m (2022: €1,087 m).

Taxes for the year ended 31 December 2023 and 2022 were as follows:

Unit: €m

	2023			2022		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Taxes for the year	**1,147**	**(149)**	**997**	**1,615**	**(181)**	**1,434**
Current income tax	507	(152)	355	771	(180)	591
"IRP" – Oil Income Tax	25	2	28	26	(1)	25
"SPT" – Special Participation Tax	615	0	615	818	0	818

As of 31 December 2023, the extraordinary taxes for the energy sector were as follows:

Unit: €m

	Statement of financial position						Income statement	
	State and other public entities	Provisions (Note 18)			"CESE II" Deferred Charges (Note 11)		Energy Sector Extraordinary Contribution	Windfall tax
	Other taxes	Windfall tax	CESE I	CESE II	Current	Non-current		
As at 1 January 2023	**0**	**(53)**	**(133)**	**(247)**	**8**	**16**	**0**	**0**
Increase	(95)	0	(11)	(11)	0	0	44	95
Decrease	0	0	1	0	(3)	(6)	0	0
Utilisation	116	0	79	0	0	0	0	0
Other adjustments	(53)	53	0	0	0	0	0	0
31 December 2023	**(33)**	**0**	**(64)**	**(258)**	**6**	**11**	**44**	**95**

In the caption "Windfall tax" the other adjustments are regarding to a reclassification from "Provisions- Windfall tax" (Note 18) to the caption "State and other public entities – Other taxes".

During the period a cost of €95 m (2022: €53 m) was recognised as "Windfall tax" (€31 m of Iberian windfall tax and €64 m of Brazilian windfall tax – temporary levy on export of oil products), which was reflected in the statement of financial position in the caption "State and other public entities – Other taxes".

During the period an amount of €116 m was paid in respect of windfall taxes (Iberia and Brazil), plus €79 m in respect of CESE I (Note 18).

Additionally, a cost of €44 m (2022: €34 m) was recognised as "Energy Sector Extraordinary Contribution" in the period, of which €14 m already paid.

The Caption "State and other public entities – Other taxes" of the table above is referring only to Windfall tax.

Galp Group operates across various geographies, through locally established legal entities, whose taxable income is calculated based on the legal rates in force in each jurisdiction, varying between 25% in Spain, 25.8% in the Netherlands, 31.5% in Portugal and 34% in Brazil.

Unit: €m

	2023	2022
Effective tax rate	**38.50%**	**44.50%**
Corporate income tax rate of Galp Energia SGPS, SA	31.50%	31.50%
Application of the equity method	(0.60%)	(1.30%)
"SPT" – Special participation and "IRP" – Tax on Oil Income *	24.80%	26.10%
Other additions and deductions	(17.20%)	(11.80%)

* The SPT expense recorded through profit or loss is deductible for income tax purpose in Brazil.

During the year ended 31 December 2023, the movements in deferred tax assets and liabilities were as follows:

Unit: €m

	As at 1 January 2023	Impact on the income statement	Impact on equity	Foreign exchange rate changes	As at 31 December 2023
Deferred Taxes – Assets	**559**	**70**	**(19)**	**4**	**616**
Adjustments to tangible and intangible assets	126	58	0	2	187
Retirement benefits and other benefits	73	(7)	0	0	66
Tax losses carried forward	36	(7)	0	0	29
Regulated revenue	8	(5)	0	0	2
Temporarily non-deductible provisions	246	(12)	0	2	237
Others	70	43	(19)	0	95
Deferred Taxes – Liabilities	**(555)**	**79**		**0**	**(476)**
Adjustments to tangible and intangible assets	(540)	83	0	0	(457)
Regulated revenue	(14)	5	0	0	(9)
Others	(1)	(9)	0	0	(10)

Tax losses for which deferred tax assets were recognized were as follows:

Unit: €m

	Tax losses carried forward	Limit year to use	Deferred Tax
Tax losses carried forward	**110**		**27**
Spain	65	No limit	16
Mozambique	34	2029	8
Portugal	11	No limit	2

In addition to the €110 m above, there are €65m (2022: €105 m) of tax losses carried forward in Spain for which no deferred tax assets have been booked, based on management judgement regarding the likely timing and the level of future taxable profits.

17. Retirement benefit obligations

Accounting policies

Defined-contribution plans

Galp has a defined-contribution plan funded by a pension fund which is managed by an independent entity. Galp's contributions to the defined-contribution plan are charged to the statement of income in the relevant year.

Defined-benefit plans

Galp has a defined-benefit plan that provides the following benefits: pension supplements for retirement, disability and pension supplements for survivors; pre-retirement; early retirement; retirement bonuses; and voluntary social insurance.

The payment of pension supplements for old age and disability, as well as survivors' pensions, is funded by a pension fund managed by independent entities.

Recognition of defined benefit plans

The costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees as of the valuation dates, and is based on actuarial assumptions, primarily regarding the discount rates used to determine the present value of benefits and the projected rates of remuneration growth. The discount rates are based on the market yields of Euro denominated high-rated corporate bonds of the euro-zone. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income during the period in which they arise. Past service costs are recognized immediately in the income statement. The surplus of a net defined benefit plan (i.e. asset) is only recognized to the extent that Galp is able to derive future economic benefits, such as refunds from the plan, or reductions in future contributions. Where a plan is unfunded, a liability for the retirement benefit obligation is recognized in the statement of financial position. Costs recognized for retirement benefits are included in employee costs. The net obligation recognized in the statement of financial position is reported within non-current liabilities.

Other post-employment benefits

Along with the aforementioned plans, Galp provides additional benefits related to healthcare, life insurance and a minimum benefit (for disability and survival).

Accounting estimates and judgments

Demographic and financial assumptions used to calculate the retirement benefit liabilities

Accounting for pensions and other post-retirement benefits requires estimates to be made when measuring the group's pension plan surpluses and deficits. These estimates require assumptions to be made regarding uncertain events, including discount rates, inflation and life expectancy.

Post-employment benefits

Unit: €m

	Notes	2023	2022
Asset under the heading of "Other Receivables"(non-current)	11	9	1
Liability		(225)	(252)
Net responsibilities		**(216)**	**(250)**
Obligations, of which:		**(414)**	**(453)**
Past service liability covered by the pension fund		(188)	(202)
Other employee benefit liabilities		(226)	(251)
Assets		**198**	**203**

Post-employment obligations

Unit: €m

	2023	2022
Past service liability at the end of the current year	**414**	**453**
Past service liability at the end of the previous year	453	500
Current service cost	5	6
Interest cost	13	7
Actuarial (gain)/loss	(3)	1
Benefit payments made by the fund	(21)	(21)
Benefit payments made by the company	(30)	(34)
Changes in the benefit plan	0	0
Cut back – Early retirement	0	0
Cut back – Pre-retirement	1	1
Cut back – Migration to DC	0	1
Other changes	(4)	(8)

The average maturity of the liabilities under the defined benefit plans is 8.3 years (in 2022: 8.5 years).

As of 31 December 2023, the breakdown of the expected value of future benefit payments for the next four years is as follows:

Unit: €m

Payment expectation by the Group	Total	Retirement benefits	Other benefits
	97	**51**	**46**
2024	29	18	12
2025	26	14	12
2026	22	11	11
2027	20	8	11

Defined-benefit pension fund

Unit: €m

	Notes	2023	2022
Assets at the end of the current year		**198**	**203**
Assets at the end of the previous year		203	248
Net interest	26	6	4
Associates' contribution		0	0
Benefit payments		(21)	(21)
Cut back		0	1
Financial gain/(loss)		10	(29)

The hierarchy of fair value of the assets is mainly Level 1 for Shares and Other Investments, and an even mix of Level 1 and 2 for Bonds and Real Estate. Level 1 includes financial instruments valued based on liquid market quotations, including from Bloomberg. Level 2 includes financial instruments valued based on observable prices in current liquid markets for the same financial instruments supplied by external counterparties, available through Bloomberg.



Unit: €m

	2023	2022
Real return on plan assets (%)	8.36%	(10.45%)
Real return on plan assets	16	(26)

The number of participants in the pension funds was 5,385 in December 2023 and 5,564 in December 2022.

Post-employment benefit expenses

Unit: €m

	Notes	2023	2022
Current service cost	26	5	6
Interest cost	27	7	3
Net cost for the year before special events		**12**	**9**
Cut back impact – early retirement	26	0	0
Cut back impact – pre-retirement	26	1	1
Other adjustments	26	(6)	(9)
Net cost for the year of defined-benefit plan expenses		**8**	**1**
Defined contribution	26	6	5
Net cost for the year of defined-contribution plan expenses		**6**	**5**
Total		**14**	**6**

Remeasurements

Unit: €m

	Notes	2023	2022
		(13)	**(30)**
Gains recognised through comprehensive income		**(13)**	**(30)**
(Loss)/Gains from actuarial experience		(23)	(14)
(Loss)/Gains from changes in actuarial assumptions		0	12
Financial (loss)/gain		10	(29)
Other gains/losses		0	0
Taxes related to actuarial gains and losses	**16**	**0**	**0**

Assumptions

	Retirement benefits		Other benefits	
	2023	2022	2023	2022
Rate of return on assets	3.75%	3.00%	-	-
Discount rate	3.75%	3.00%	3.75%	3.00%
Rate of increase in salary costs	3% (2024);2% (2025);1% (2026-)	4% (2023-24);1% (2025-)	3% (2024);2% (2025);1% (2026-)	4% (2023-24);1% (2025-)
Rate of increase in pension costs	1.50% (2024);1.00% (2025);0.5% (2026-)	[1.40% – 4.00%] -2023-24: [0.5%-1.40%]-2025-	[1.40% – 3.00%] -2024-25: [0.5%-1.40%]-2026-	4.00% (2023-24);1.00% (2025-)
Current personnel and pre-retiree mortality table	TV88/90	TV88/90	TV88/90	TV88/90
Retired personnel mortality table	TV88/90	TV88/90	TV88/90	TV88/90
Disability table	50% EVK 80	50% EVK 80	50%EVK80	50%EVK80
Common age for retirement	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively
Method	Projected credit unit	Projected credit unit	Projected credit unit	Projected credit unit

Sensitivity Analysis

Sensitivity analysis of the discount rate

		Unit: €m
Discount rate 3.75%		-0.25%
Total	**414**	**8**
Retirement benefits	263	4
Other benefits	151	4

Sensitivity analysis of the growth rate of health insurance costs

			Unit: €m
Growth rate of 3%		-1.00%	1.00%
Past Service	132	(13)	16

18. Provisions and contingent assets and liabilities

Accounting policies

Provisions are recorded when, and only when: 1) the Group has a present obligation resulting from a past event; 2) it is probable that an outflow of resources entailing economic benefits will be required to settle the obligation; and 3) a reliable estimate can be made of the amount of the obligation. Galp calculates its estimate based on an evaluation of the most likely outcome. Disputes for which no reliable estimate can be made are disclosed as contingent liabilities.

Provisions for decommissioning and restoration costs of blocks are intended to cover all the costs incurred by Galp at the end of the useful production life of oil fields. Provisions are based on the operator's estimate of the total abandonment costs, which are recognized by Galp on a proportional basis as it builds each production well. These provisions are capitalized as part of the assets (Note 5).

Provisions for environmental expenditures arises principally in connection with oil products manufacturing facilities, such as refinery, logistics and storage facilities. Environmental expenditures that are required in order for the Group to obtain future economic benefits from its assets are capitalized as part of those assets. Expenditures that relate to an existing condition caused by past operations that do not contribute to future earnings are expensed. Liabilities for environmental costs are recognized when a legal or constructive obligation arises or a clean-up is probable and the associated costs can be reliably estimated. Such obligations may also crystalize during the period of operation of a facility or item of plant through change in legislation or through a commitment to a formal plan of action, a decision to terminate operations or, if earlier, on divestment or on closure of inactive sites. The amount recognized is the best estimate of the expenditure required to settle the obligation. Provisions for environmental liabilities are estimated using existed technology, at future prices and discounted using a nominal discount rate.

Other provisions are recognized in the period in which an obligation arises, and the amount can be reasonably estimated.

Provisions for legal disputes include ongoing legal disputes namely related to taxation matters. Management makes estimates regarding provisions and contingencies, including the probability of the outcomes of pending and potential future litigation. These are by nature dependent on inherently uncertain future events. When determining the likely outcomes of litigation, Management considers the input of external counsel, as well as past experience.

Although Management believes that the total amounts of provisions for legal proceedings are adequate based on the currently available information, there can be no assurance that there will be no changes in the facts, or that the amounts of any future lawsuits, claims, proceedings or investigations will not be material.

Accounting estimates and judgments

Provisions for lawsuits and other litigations

The estimated final costs of lawsuits, settlements and other litigation can vary based on different interpretations of the rules, opinions and final assessments of the losses. Consequently, any changes in circumstances relating to these types of contingencies could have a significant effect on the recorded amounts of contingencies.

Decommissioning provisions

Provisions for decommissioning and restoration costs, which arise principally in connection with hydrocarbon production facilities and pipelines, are measured on the basis of current requirements, technology and price levels; the present value is calculated using amounts discounted over the useful economic life of the assets. The liability is recognized (together with a corresponding amount as part of the related tangible asset) once a legal or constructive obligation to dismantle an item of property, plant and equipment and to restore the site on which it is located exists and when a reasonable estimate can be made. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related tangible asset. However, where there is no related asset, or the change reduces the carrying amount to nil, the effect, or the amount in excess of the reduction in the related asset to nil, is recognized in income. The discount rate applied at 31 December 2023, was between 3.68% – 4.25% (2022: 3% - 4.6%).

Environmental provisions

Galp makes judgments and estimates to calculate its known obligations relating essentially to the known requirements regarding abandonment of facilities and soil decontamination, based on current information relating to the expected intervention costs and plans. Such costs can vary due to changes in the legislation and regulations, changes in the condition of a specific location, as well as changes in decontamination technologies. Consequently, any changes in the circumstances relating to such provisions, as well as in the legislation and regulations, could significantly affect the provisions for such matters. The timing and amount of future expenditures relating to environmental provisions are reviewed annually, together with the interest rate used in discounting the cashflows.

The discount rate applied at 31 December 2023, was between 2.11%-3.63% (2022: 3%-4.6%).

Costs of abandonment of facilities (dismantling) associated with refining, logistics and storage facilities are generally not recognized since potential obligations cannot be measured, given their indeterminate settlement dates. In respect of refining assets (Sines), management is developing plans for the existing site remaining in the portfolio, which would be compatible with the Energy Transition strategy of Galp (Note 2.1). Galp periodically reviews its long-live refinery, logistics and storage facilities assets on a regular basis to determine any changes in facts and circumstances, including expected life, that could result in the recognition of a provision.

As of 31 December 2023 and 31 December 2022, the provisions were as follows:

Unit: €m

	December 2023					December 2022
	Decommissioning/ environmental provisions	CESE (I and II)	Windfall tax	Other provisions	Total	
At the beginning of the year	**715**	**380**	**53**	**282**	**1,430**	**1,208**
Additional provisions and increases to existing provisions	33	22	0	58	113	219
Decreases of existing provisions	(11)	(1)	0	(1)	(13)	(2)
Amount used during the year	(6)	(79)	0	(11)	(96)	(30)
Regularisation	52	0	(53)	(44)	(45)	(64)
Adjustments during the year	(14)	0	0	62	48	99
At the end of the year	**769**	**322**	**0**	**346**	**1,437**	**1,430**

Increases and decreases in provisions during the year are as follows:

Unit: €m

	Judicial processes	Provisions	Tangible Assets	Financial (income) and expenses	CESE	Deferred charges CESE	Results from financial investments	Other	Total
2023	**34**	**49**	**(42)**	**16**	**30**	**(8)**	**0**	**22**	**100**
Decommissioning/environmental costs	0	47	(42)	16	0	0	0	1	22
Windfall tax	0	0	0	0	0	0	0	0	0
CESE I and II	0	0	0	0	30	(8)	0	(1)	21
Other provisions	34	2	0	0	0	0	0	21	57

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2022.

Decommissioning of blocks and environmental costs

The amount of €769 m includes essentially a provision for the abandonment of blocks (€389 m), established to cover the costs to be incurred for asset retirement obligations at the end of the useful lives of those areas (€370 m in Brazil and €19 m in Mozambique) and a provision for environmental costs established in connection with dismantling, decommissioning and decontamination costs of Matosinhos refinery (€269 m) and provisions for dismantling and decontamination of service stations and logistic parks (€70 m).

CESE I and II

In the year ending 31 December 2023, the caption of CESE (I and II) – "Energy Sector Extraordinary Contribution I and II" in the amount of €322 m represents the total responsibility as of that date and corresponds to the contributions for the years 2014 to 2023. In 2023, the Group has paid an amount of €79 m, in respect of CESE I for the years of 2014 to 2017.

In 2014, the Group was subject to a special tax (Energy Sector Extraordinary Contribution CESE I), pursuant to Article 228 of Law 83C/2013 of 31 December, which states that energy companies that carry net assets in certain activities, from 1 January 2014, are subject to a tax calculated on the balance of the eligible net assets as of that date.

In 2015, the Group was subject to a special tax (Energy Sector Extraordinary Contribution CESE II), pursuant to Law 33/2015 of 27 April and Order No. 157-B/2015 of 28 May. CESE II applies to the value of future sales, based on the four existing long-term LNG sourcing contracts which are on a take-or-pay basis. In 2017, pursuant to Order No. 92-A/2017 of 2 March, the economic value of the take-or-pay contracts changed, which was reflected in the increase of the CESE provision.

Following the law and tax regulations, Galp properly accounted for the legal obligation from CESE I and II, although these obligations are currently subject to legal dispute.

Other provisions

The amount of €344 m of other provisions includes a provision of €222 m (2022: €162 m) that relates to the dispute between ANP and the BM-S-11 consortium, as explained in Note 11, and a provision of €26 m (2022: €72 m) regarding the commitment to reimburse CESE I to the shareholders of Floene as per share sale and purchase agreement. The regularization in the period, amounting to €44 m, relates to a partial reversal of the obligation (CESE I) resulting from the favourable decision of the constitutional court to an entity belonging to Floene Energias, S.A. Group regarding to the existing dispute with the tax authority. The adjustments in the period, amounting to €62 m, mainly relates to the increase of € 60 m of ANP dispute.

Contingent liabilities

As of 31 December 2023, the Company and its subsidiaries had additional Corporate Income Tax assessments under dispute amounting to €33 m, for which a provision of €11 m was recorded in prior years.

No provisions were recognized for tax contingencies related to Brazilian operations in the amount €318 m (2022: €230 m), essentially related with withholding tax (IRRF) and other taxes and levies (PIS/COFINS and CIDE) related to rental payments on overseas vessels (2023: €185 m and 2022: €159 m). It is not expected that a payment will be required to settle the obligation. Should Galp be required to pay such taxes and levies, it could result in a potential total liability of approximately €318 m (€230 m in 2022).

19. Derivative financial instruments

Accounting policies

Derivative financial instruments

The Group may use financial derivatives to hedge the interest rate risk and other market risks, particularly the risk of variations in crude oil prices, finished products and refining margins, as well as the price variation risk of natural gas and electricity, which affects the financial value of the assets and the future cash flow expected from its activities.

The realised gains and losses on the financial settlement of commodities (i.e. Brent, electricity and gas) futures and swaps are presented within cost of sales, except if commodity futures are physically settled where the gain or loss will be recorded in sales as a price adjustment of the commodity sold. Changes in the fair value of open positions are presented in financial income, within income from financial instruments. As futures are exchange-traded, subject to central clearing, gains and losses are continuously recorded within income from financial instruments until the maturity date of the derivative, unless designated in cash flow relationships in which case they are recorded in the cash flow hedge reserve.

Realised gains and losses on Forwards and FX Swaps are presented within cost of sales if they are connected to commodities transactions, and are otherwise presented in financial income, under realised FX differences. Changes to the fair values of open positions are presented in financial income, under unrealised FX differences.

Some physically settled TTF bilateral contracts are accounted for as derivatives because they meet the net settlement criteria and do not meet the own use exemption criteria. The fair values of these contracts are presented together as Swaps in the financial statements.

Financial assets and liabilities are offset if Galp has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

Day 1 gain or losses on derivatives that are categorized as level 3 in the fair value hierarchy do not qualify for recognition in the financial statements. These day 1 gains and losses are disclosed in the financial statements and only recognized when the prices become sufficiently observable or as the contract matures. The cumulative amounts of MTM of day 1 gains not recognised where €5.7 m (2022: €6.3 m). The cumulative amount is recognised during the life span of the derivative.

Hedge accounting

Derivative instruments that qualify for hedge accounting are designated in cash flow hedges of commodity price risk associated with highly probable forecast gas purchases. Derivative instruments used by the Group to hedge the interest rate risk of floating rate debt are designated in qualifying cashflow hedges of interest rate risk. The indices are the same as those applicable to the contracts signed with customers and banks reducing hedge in-effectiveness. Certain derivatives that are entered into for risk management purposes, such as those that hedge the overall net position of commodity prices (oil margins) and forecast purchases of electricity and gas, are not designated in qualifying IFRS 9 hedge relationships and are therefore accounted for as trading derivatives with their changes in fair value recorded immediately in the statement of profit or loss.

Changes in the fair values of derivatives designated in qualifying cash flow hedge relationships are recorded in equity in the cash flow hedge reserve.

Where the derivative instrument no longer meets the criteria for recording as a cashflow hedge, the accumulated fair value differences deferred in equity within hedging reserves are added to the book value of the asset which gave rise to the hedging transaction only if the derivative was mature and is effective. Otherwise, if the hedge is not effective, subsequent revaluations are recognized directly in the income statement. If the hedge is discontinued because the transaction is no longer expected all of the deferred MTM in equity is reclassified to profit or loss. If there is a change in risk management objective but the hedged transaction is still expected to occur, the amount in the cash flow hedge reserve is taken to profit or loss when the previously hedged transaction affects the statement of profit or loss. Hedge accounting is discontinued prospectively.

Hedge accounting is discontinued when all of the derivative instruments mature, are sold, when management changes the risk management strategy or objective, or when a hedged transaction is no longer highly probable.

In 2023, the hedge of highly probable forecast purchase of electricity has been discontinued and matured, with all amounts previously deferred in the cash flow hedge reserve being reclassified to profit and loss with previously hedged transactions.

Financial derivatives are measured at fair value.

For further explanation of valuation methods used and risk management activities using derivatives, see Note 20.

The financial position of derivative financial instruments as of 31 December 2023 and 2022 is detailed as follows:

Unit: €m

	2023					2022				
	Assets (Note 12)		Liabilities		Equity	Assets (Note 12)		Liabilities		Equity
	Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current	
	169	**96**	**(100)**	**(99)**	**71**	**304**	**110**	**(373)**	**(48)**	**18**
Designated hedge derivatives										
Gas										
Swaps	44	29	0	0	74	0	0	0	0	0
Electricity										
Futures	0	0	0	0	0	15	0	0	0	15
Interest rate										
Swaps (IRS)	0	2	0	(6)	(4)	0	3	0	0	3
Non designated hedge derivatives										
Oil										
Futures	0	0	0	0	0	1	0	0	0	0
Swaps	1	0	(1)	0	0	125	0	(205)	0	0
Gas										
Futures	4	0	0	0	0	25	0	0	0	0
Swaps	87	36	(89)	(39)	0	60	29	(155)	(36)	0
Options	18	2	(7)	(1)	0		0	0	0	0
Electricity										
Futures	7	0	0	0	0	13	0	0	0	0
Swaps	8	1	(3)	(53)	0	63	38	(10)	(12)	0
Foreign Exchange										
Forwards	0	0	0	0	0	4	0	(3)	0	0
Interest rate										
Swaps (IRS)	0	26	0	0	0	0	40	0	0	0

Derivatives are classified as current and non-current in accordance with the expected settlement.

During 2023 and 2022 the Group entered into derivative financial instruments with the objective of hedging the economic exposure mainly related to changes in crude, power, natural gas prices and interest rates. Derivatives to cover interest rates, and some derivatives to cover gas prices were designated in qualifying Cashflow hedges.

The notional prices of the open derivatives and their respective maturities are shown below:

Unit: €m

		December 2023		December 2022	
		Maturity		Maturity	
		Less than 1 year	1 year and more	Less than 1 year	1 year and more
		34	**(418)**	**(48)**	**(437)**
Designated hedge derivatives					
Futuros	Purchase	0	0	(6)	0
	Sales	0	0	0	0
Commodity swaps	Purchase	0	0	0	0
	Sales	126	99	0	0
IRS	Purchase	0	(130)	0	(16)
	Sales	0	0	0	0
Non designated hedge derivatives					
Commodity futures	Purchase	(237)	(2)	(875)	(4)
	Sales	205	2	876	4
Commodity swaps	Purchase	(243)	(291)	(547)	(231)
	Sales	209	160	525	75
Commodity options	Purchase	(62)	(8)	0	0
	Sales	36	5	0	0
IRS	Purchase	0	(253)	0	(265)
	Sales	0	0	0	0
Currency forwards and swaps	Purchase	0	0	(43)	0
	Sales	0	0	22	0

Notional = Fixed Price x Quantity

The accounting impact as of 31 December 2023 and 31 December 2022 of the gains and losses on derivative financial instruments is presented in the following table:

Unit: €m

	2023				2022			
	Income statement			Equity	Income statement			Equity
	MTM	Realised (Note 25)	MTM + Realised		MTM	Realised (Note 25)	MTM + Realised	
	(23)	**47**	**24**	**53**	**787**	**(983)**	**(196)**	**(13)**
Designated hedge derivatives								
Gas								
Swaps (Cash flow hedge)	0	0	0	74	0	0	0	0
Electricity								
Futures	0	0	0	(15)	0	35	35	(34)
Swaps	0	0	0	0	0	(12)	(12)	18
Interest rate								
Swaps (IRS)	0	1	1	(7)	0	0	0	3
Non designated hedge derivatives								
Oil								
Futures	0	0	0	0	0	10	10	0
Swaps	80	(77)	3	0	(84)	(363)	(447)	0
Options	0	0	0	0	4	(4)	0	0
Gas								
Futures	(97)	140	43	0	590	(899)	(308)	0
Swaps	95	(5)	89	0	318	153	471	0
Options	13	0	13	0	0	0	0	0
Electricity								
Futuros	32	(45)	(13)	0	1	(40)	(39)	0
Swaps	(131)	20	(111)	0	(44)	78	34	0
Foreign Exchange								
Forwards	0	5	5	0	(19)	59	40	0
Interest rate								
Swaps (IRS)	(14)	8	(6)	0	21	0	21	0

MTM relating to FX Swaps and Forwards (2023: nill) is recognized in Financial Results within Exchange differences and realized amounts are recognized within Other operating costs (positive €5 m) among settlement of other Foreign exchanges of Invoices with Clients and Suppliers.

The 2023 financial position shows in shareholders' equity, under the heading hedging reserves, the positive amount of €71 m relating to cash flow hedges. The cash flow hedges reflected in equity, when settled, are reclassified to the statement of profit or loss in the same period or periods during which the hedged expected cash flows affect profit or loss (when hedged forecast sale occurs). The amount of settled hedging instruments regarding cash flow hedges amounts to positive €1 m in 2023 and positive €23 m in 2022 and was recognized under the heading cost of sales.

In 2022, realised MTM on commodity futures included a cost of €401 m that relates to gas futures that were physically settled with the Exchange, which was reflected in sales as an adjustment of the price of gas sold (Note 24).

Significant accounting estimate

Unrealised MTM on undesignated electricity swaps of (negative €131 m) includes negative MTM of (€119 m), related to Synthetic Power Purchase Agreements (PPA) of solar projects in Spain, for which the fair value valuation was not based on observable market data (level 3). The derivatives have several commencement dates, the first beginning in the second half of 2020 and all have a life span of c. 12 years. Included in these Synthetic Power Purchase Agreements is a fixed quantity of Guarantees of Origin that transferred from the solar projects to Galp during the same time frame. The entire agreement is accounted for as a single unit of account at FVTPL without any separate accounting for the Guarantee of Origin.

Inputs into the valuation model include fixed contractual volumes, forecast electricity prices, selection of scenario for the forward price and tax on energy production in Spain.

The fair value estimate is highly sensitive to changes in unobservable inputs and changes in those inputs might result in a significantly higher or lower fair value measurement. The total MTM of these PPA's at 31 December 2023 is €48 m liability.

The heading income from financial instruments includes the unrealised value of MTM of commodities derivatives, as shown in the following table:

Unit: €m

	2023	2022
	(22)	**806**
Commodity Swaps	44	170
Options	13	4
Commodity Futures	(65)	591
Interest rate swaps	(14)	41
Other trading operations	(0)	0

The table above includes MTM of all financial derivatives, except FX derivatives which are accounted in the heading exchange differences.

The maturities of derivative liabilities in the statement of financial position are as follows:

Unit: €m

	Less than 1 year	Between 1 and 2 years	2 years and more	Total
2023				
Commodity swaps	93	51	41	185
IRS	0	0	6	6
Commodity options	7	1	0	7
2022				
Commodity swaps and options	370	35	13	418
Foreign exchange forwards	3	0	0	3

Note that despite the current position of liabilities is €198 m (2022: €422 m), Group Galp has a €165 m (2022: €414 m) current position of assets regarding derivatives to receive. Net position is a liability of €33 m (2022: €8 m).

20. Financial assets and liabilities

Accounting policies

Galp classifies financial assets and liabilities into the following categories:

a) Financial assets at fair value through other comprehensive income;

b) Financial assets and liabilities carried at amortized cost;

c) Financial assets and liabilities at fair value through profit or loss (derivatives).

Management determines the classification of its financial assets on initial recognition and re-evaluates it at the end of each reporting period if, and only if, there is a change in the business model. For financial liabilities, such changes in classification are not allowed.

Recognition and measurement

Purchases and sales of investments are recognized as of the trade date. Investments are initially recognized at fair value. Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

Nevertheless, assets at fair value through other comprehensive income are measured at cost as a proxy for their fair value. As, they are not quoted on a stock exchange, no recent available information is available to measure their fair value reliably, and the amounts involved are immaterial.

Derecognition of financial assets

Financial Assets are derecognized from the statement of financial position when the rights to receive cash flow from investments have expired or have been transferred and Galp has transferred substantially all of the risks and rewards of ownership.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist mainly of equity investments. When these kinds of financial assets are derecognized, the gain or loss will be kept in equity. Dividends received are recognized in profit or loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are non-derivative financial assets which are held solely for payments of principal and interests (SPPI). If collection is expected within one year (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other receivables are recognized initially at fair value. Subsequently they are measured at amortized cost using the effective interest method, less impairment.

Fair value hierarchy

In accordance with the accounting rules, an entity must classify the fair value measurement based on a fair value hierarchy that reflects the meaning of the inputs used for measurement.

The fair value hierarchy has the following levels:

- Level 1 – the fair value of the assets or liabilities is based on active liquid market quotation as of the date of the statement of financial position;
- Level 2 – the fair value of the assets or liabilities is determined through valuation models based on observable market inputs; and
- Level 3 – the fair value of the assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

Accounting estimates and judgements

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets when possible, but when this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in valuation methodologies and in assumptions relating to these factors could affect the reported fair value of financial instruments.

Unit: €m

2023		Fair value measurement using				Carrying amount
		Total Fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets at FVTPL	**Note**					
Swaps	19	236	0	236	0	236
Options	19	18	0	18	0	18
Commodity Futures	19	7	7	0	0	7
Financial assets measured FV OCI						
Equity investment	12	1	0	0	1	1
		262	**7**	**254**	**1**	**262**
Financial assets measured at amortized cost for which fair value is required to be disclosed						
Loans and Capital Subscription	12	277	0	0	277	277
Trade receivables and other debtors	11	2,631	0	0	2,631	2,631
Financial liabilities measured FVTPL						
Swaps	19	(191)	0	(149)	(42)	(191)
Options	19	(7)	0	(7)	0	(7)
		(198)	**0**	**(156)**	**(42)**	**(198)**
Financial liabilities measured at amortized cost for which fair value is required to be disclosed						
Loans and Commercial paper	14	1,547	0	1,547	0	1,547
Trade payables and other payables	15	3,121	0	0	3,121	3,121
Bonds	14	1,434	0	1,434	0	1,434
Notes	14	484	484	0	0	500

Unit: €m

2022	Note	Total Fair value	Fair value measurement using: Quoted prices in active markets (Level 1)	Fair value measurement using: Significant observable inputs (Level 2)	Fair value measurement using: Significant unobservable inputs (Level 3)	Carrying amount
Financial assets at FVTPL						
Swaps	19	355	0	265	90	355
Commodity Futures	19	53	53	0	0	53
Forwards	19	4	4	0	0	4
Financial assets measured FV OCI						
Equity investment	12	3	0	0	3	3
		414	**56**	**265**	**93**	**414**
Financial assets measured at amortized cost for which fair value is required to be disclosed						
Loans and Capital Subscription	12	136	0	0	136	136
Trade receivables and other debtors	11	2,669	0	0	2,669	2,669
Financial liabilities measured FVTPL						
Swaps	19	(418)	0	(399)	(19)	(418)
Forwards	19	(3)	(3)	0	0	(3)
		(421)	**(3)**	**(399)**	**(19)**	**(421)**
Financial liabilities measured at amortized cost for which fair value is required to be disclosed						
Loans and Commercial paper	14	1,515	0	1,515	0	1,515
Trade payables and other payables	15	2,609	0	0	2,609	2,609
Bonds	14	1,474	0	1,474	0	1,474
Notes	14	959	959	0	0	1,000

21. Financial risk management

Accounting policy

Galp Group has standards, models, methodologies, and systems in place to support the identification, evaluation, monitoring and mitigation of various risks it is exposed to, including financial risks, and uses various financial instruments to hedge, in accordance with the corporate guidelines that are applicable across the Company.

Management has assessed the following key financial risks:

Type	Exposure to risk
Commodity-price risk	High
Exchange-rate risk	Medium
Interest-rate risk	Medium
Liquidity & Insurance risk	High
Credit risk	Medium

Commodities price risk

Factors such as macroeconomic uncertainties, geopolitical risks (including the prolonged conflict in Ukraine and a potential escalation of the conflict between Israel and Hamas), technological risks, supply constraints, and operational circumstances can impact the supply and demand for oil, petroleum products, natural gas, LNG, and electricity. Changes in consumption patterns, increased demand for lower-carbon solutions, natural disasters, and extreme situations like pandemics can also affect the demand and supply of oil and gas, influencing the prices of these commodities.

The volatility risk in commodities prices is mitigated through hedging instruments available in the exchange and over the counter (OTC) markets, such as Futures and Swaps. (Note 19). The management of these risks is set out in a specific risk policy, including hedging strategies and exposure limits, and a Strategic Hedging Program is annually defined/reviewed.

Additionally, in regard to oil, natural gas and electricity activities, the Group mitigates this risk by establishing brent, natural gas and electricity purchase and sale contracts with similar indexes to protect the business margin against adverse market changes.

Analysis of commodity price sensitivity

The sensitivity analysis was performed for balances relating to financial derivatives on commodities. An immediate 10% devaluation in the following commodities price would impact Galp's income, as outlined in the table below:

Unit: €m

	2023		2022	
	Risk exposure	Impact on Income Statement	Risk exposure	Impact on Income Statement
Derivatives on natural gas commodities[1]	84	(2)	13	(1)
TTF's (natural gas) contracts	0	0	(90)	10
Derivatives on oil commodities	4	0	(79)	12
Derivatives on electricity[2]	(42)	4	91	(31)

[1] Excludes the impact of derivatives classified as cash flow hedges on 31/12/2023.
[2] Excludes the impact of derivatives classified as cash flow hedges on 31/12/2022

Exchange-rate risk

Associated with macroeconomic factors, exchange rate risk results from fluctuations in the exchange rates of the currencies in which the Company conducts its business and in which it prepares its financial statements. The US Dollar is the currency used as the reference price in the oil and natural gas markets, however, Galp prepares its financial statements in Euros, which, among other factors, exposes its operations to exchange rate risk. Given that the operating margin is most sensitive to fluctuations in the US Dollar, the Company is exposed to fluctuations in exchange rates, which can contribute positively or negatively to income and margins.

Considering that this risk is associated with other variables, such as oil and natural gas prices, and that the level of the cash flow exposure, and especially the financial position statement, is a function of these prices. The Group adopts a cautious approach to hedging exchange-rate risk, as there are natural hedges between the statement of financial position and the cash flow.

As a result of the above, Galp controls its exchange-rate exposure on an integrated basis rather than on an individual transaction basis, except in specific cases. Given that the purpose of exchange rate risk management is to limit the uncertainty resulting from exchange rates fluctuations, Galp manages this risk centrally through variable and fixed rate financial instruments and hedging derivatives. As of 31 December 2023, Galp held derivatives such as FX Forwards and Swaps to minimise exchange-rate risk (Note 19).

Foreign exchange sensitivity analysis

The sensitivity analysis includes the significant balances of monetary assets and liabilities denominated in foreign currency that impact Galp's income statement. A 10% devaluation of the Euro against other currencies would impact Galp's income, as outlined in the table below:

Unit: €m

	2023		2022	
	Risk exposure	Impact on Income Statement	Risk exposure	Impact on Income Statement
Loans obtained and Finance Lease debt	(83)	(8)	(94)	(9)
Marketable securities (included in cash and cash equivalents)	50	4	222	22
Derivatives[1]	0	0	(78)	(6)
Trade and Other Receivables	535	54	379	38
Trade and Other Payables	(290)	(29)	(830)	(83)

[1] Includes derivatives in USD and FX Forwards, taking into account fluctuations in MTM.

Key currencies exchange rate

Unit: €m

	2023		2022	
	Average	Year-end	Average	Year-end
EUR/USD	1.08	1.10	1.05	1.07
EUR/BRL	5.40	5.36	5.44	5.64
USD/BRL	5.00	4.87	5.17	5.22
EUR/CHF	1.08	0.93	1.01	0.99

Interest rate risk

The interest rate risk, linked to the volatility of interest rates on bank loans or other debt instruments used by the company to finance its activities,

Galp's debt, mainly bank loans and interest-bearing bonds is exposed to interest rate volatility, stemming from both economic and political factors. Adverse changes in interest rates may have a material adverse effect on Galp's financial performance and results.

To reduce the volatility of financial costs in the income statement, Galp centrally manages interest rate risk through variable and fixed-rate financial instruments and hedging derivatives, following an interest-rate risk management policy. As of 31 December 2023, Galp holds interest-rate derivatives (IRS) positions to cover variability in interest rates on project financing loans.

Interest rate sensitivity analysis

An analysis of interest rate risk includes variable interest rate loans. A 0.5% increase in the interest rate would impact Galp's financial income as outlined in the table below:

Unit: €m

	2023		2022	
	Exposure risk	Impact on Income Statement	Exposure risk	Impact on Income Statement
Loans obtained	(3,600)	(9)	(4,000)	(9)
Fixed rate interest	(1,607)	0	(1,441)	0
Variable-rate interest	(1,992)	(9)	(2,559)	(9)
Derivatives (IRS)[1]	22	5	43	6
Marketable securities	1,316	0	864	1

Note: Cash and equivalents in the statement of financial position comprise marketable securities
[1] Excludes impact of derivatives qualified as Cash-flow hedges.

Interest rate derivatives reduce the exposure to interest rate fluctuations on the P&L regarding project finance loans in Titan Group.

Liquidity & Insurance risk

Liquidity risk is associated with the capacity to access the financial and capital markets to obtain the necessary financial resources to execute Galp's strategy. Insurance risk is associated with insurers lower appetite for the O&G sector. The inability to access funds to finance its strategy and obtain insurance quotes for its investment projects may have a negative effect on the Group's profit and/or cash flow.

Galp finances itself through the cash flow generated by its operations and maintains a diversified portfolio of loans and bonds. The Group has access to credit lines that are not fully used, but that are at its disposal. The available short term and medium/ long-term credit lines that are not being used amount to €1.6 bn at 31 December 2023 (€1.5 bn at 31 December 2022). Galp has readily available cash equivalents amounting to €2.2 bn at 31 December 2023 (€2.5 bn at 31 December 2022). These combined amounts add up to €3.8 bn at 31 December 2023 (€4.0 bn at 31 December 2022).

With regard to insurance, Galp has a broad Insurance programme (property damage, third party liability, business interruption, environmental liability, trade credit, among others) aligned with its business structure and risk appetite.

Credit risk

Credit risk arises from the possibility that a counterparty may not fulfil its contractual payment obligations, including those related to financial investments and hedging instruments (relating to exchange rates, interest rates or others), as well as those arising from commercial relationships between the Company and its counterparties, associated with the counterparty's risk level.

Credit risk is mitigated through a diversified portfolio of both financial counterparties and customers, the selection of reference financial counterparties, the careful drafting of contracts including appropriate commercial terms, and the establishment of collaterals, when relevant. The management of this risk follows internal standards, namely the Credit Management Manual, which establishes procedures for assessing exposure to credit risk and ensures its transversal management. A risk rating is assigned to each customer, to establish its credit limit and to calculate the respective risk-return ratio.

See Note 11 for further risk assessments, specifically regarding Trade receivables and other receivables.

22. Capital structure

As of 31 December 2023, the Galp Group presents equity in the amount of €5.3 bn (2022: €5.1 bn).

Share capital, distribution to shareholders and earnings per share

Share capital

The share capital of Galp Energia SGPS, S.A. is comprised of 773,082,725 shares, with a nominal value of 1 Euro each and fully subscribed. During 2023 Galp has executed its buyback programme of €500 m. The number of shares that were acquired was 42,028,823 shares at an average price of €11.90 per share. These shares were cancelled at 31 December 2023 (Note 2.2.5).

Distribution to shareholders

In accordance with a resolution of the General Shareholders' Meeting held on 03 May 2023, Galp Energia, SGPS, S.A.'s shareholders were granted dividends amounting to a maximum of €425 m (€0.52/share) related to the distribution of net income for the year 2022, which was paid on 20 September 2022 (€213 m) and on 23 May 2023 (€209 m), in accordance with outstanding shares on the date of payment. During the year ending 31 December 2023, an anticipated dividend of €213 m (€0.27/share) regarding profits of year 2023 was paid on 25 August 2023. Dividends amounting to €169 m (2022: €245 m) have been paid by the subsidiaries of the Galp group to non-controlling shareholders during 2023.

As a consequence of the above, during the year ending 31 December 2023, the Group made distributions amounting to €591 m (2022: €665 m).

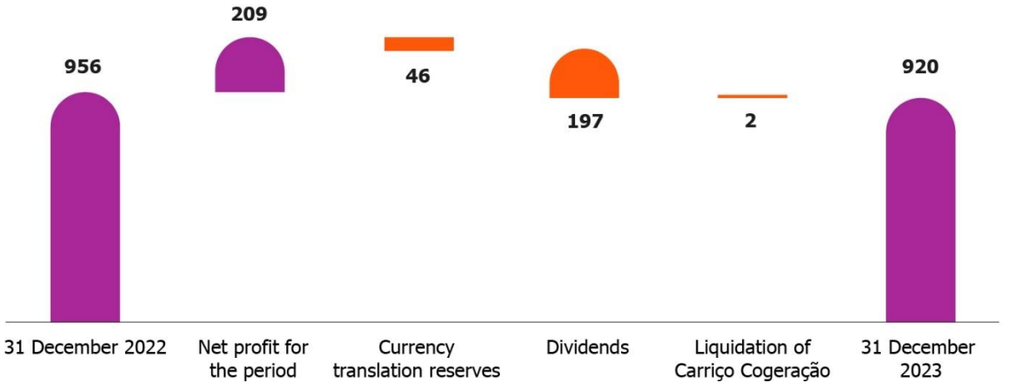
Other reserves

Other reserves on the financial position amount to €1,449 m which refer to Cumulative translation reserves of (€128 m), Cashflow hedging reserves of €48 m (net of deferred tax), Share-based payments (Long term incentives (LTI) reserve) of €25 m and other reserves of €1,504 m.

23. Non-controlling interests

As of 31 December 2023, the changes in non-controlling interests during the year and included in equity are as follows:

Unit: € m



Dividends during 2023 were attributed mainly to Sinopec (stake in Petrogal Basil, S.A.).

24. Revenue and Income

Accounting policies

For the Industrial & Midstream, the Commercial and the Renewables and New Businesses segments, revenue is recognized when Galp has satisfied a performance obligation by transferring the promised products or services to the customer. The product is transferred when the customer obtains control of the same.

Sales are measured at the fair value of the consideration received or receivable. Sales are recognized net of taxes, with the exception of tax on petroleum products, discounts and rebates.

For the Upstream segment, revenue resulting from hydrocarbon production from properties in which Galp has an interest in joint arrangements is recognized on the basis of Galp's working interest (entitlement method). Revenue resulting from the production of oil under production-sharing contracts is recognized for those amounts relating to Galp's cost recovery, and Galp's share of the remaining production.

As mentioned in Note 11, Galp undertakes under- and overlifting activities. Underlifting occurs when the overtaker lifts the barrels from Galp and sells them. When this happens, underlifting income is recognized against an asset (debtor). In similar ways, overlifting occurs when Galp lifts the barrels to which it is not yet entitled. These balances are presented in Other operating income and Other operating costs (Note 25), respectively.

Exchange differences arising from supplier and customer balances are recognized in the operating results.

The IFRS 15 accounting principle considers a principal vs. agent framework in relation to cost incurred and goods and services provided. In accordance with this, Galp analyzed, among others, a service related to the natural gas and electricity commercialization activities, namely due to the electricity and gas tariffs paid to distribution entities and recognized as costs. Services provided or promised to final customers contains the cost of the tariffs included in the price tag and recognized as operating income. Galp concluded that each contract performance obligation to provide the specified goods or services is the responsibility of the Group, thus controlling the goods or services before delivering them to the final customers. Galp is therefore a Principal rather than an Agent when performing its contract obligations.

Unit: €m

	Notes	2023	2022
		21,394	**28,188**
Total sales		**20,455**	**26,485**
Goods		10,121	14,875
Products		10,333	11,609
Services rendered		**314**	**355**
Other operating income		**441**	**321**
Underlifting income		24	55
Others		417	265
Earnings from associates and joint ventures	**9**	**49**	**152**
Financial income	**27**	**134**	**877**

Services rendered include, among others, the recharge of costs related to electricity and gas tariffs, storage and logistics services, freight and transportation services.

Other operating income – others include mainly the recharge of costs related to freight and other costs and charges to third party for the use of gas assets associated with the upstream segment activity.

In 2022, Sales - Goods included a negative effect of €401 m regarding an adjustment of the price of gas sold due to the settlement of Futures (Note 19).

Earnings from associate and joint ventures of €49 m includes Galp's share of the results (equity method) of associates and joint ventures amounting to €10 m (Note 9) and a gain of €39 m mainly resulting from a partial reversion of the provision of CESE I assumed by Galp in relation to Floene Energias, S.A. (€44 m) and an impairment of €5 m regarding a minority stake held in a research entity.

25. Costs and Expenses

The operating costs for the years ended 31 December 2023 and 2022 were as follows:

Unit: €m

	Notes	2023	2022
Total costs and expenditure:		**18,807**	**24,942**
Cost of sales		**14,580**	**20,920**
Raw and subsidiary materials		3,123	4,352
Goods		8,837	13,682
Tax on oil products		2,494	2,402
Variation in production		121	(304)
Write downs on inventories	10	(36)	70
Costs with the emissions of CO_2		74	81
Financial derivatives	19	(33)	640
Exchange differences		(0)	(2)
External supplies and services		**2,224**	**1,888**
Subcontracts – network use		88	176
Transport of goods		338	249
E&P – production costs		392	167
Royalties		282	345
E&P – exploration costs		14	25
Other costs		1,110	926
Employee costs	**26**	**450**	**370**
Amortisation, depreciation and impairment losses on fixed assets	**5/6/7**	**987**	**1,380**
Provision and impairment losses on receivables	**11/18**	**162**	**133**
Other costs		**189**	**88**
Other taxes		49	39
Other operating costs		140	49
Financial expenses	**27**	**215**	**164**

The heading "subcontracts – network use" refers to charges for the use of: (i) the distribution network (URD); (ii) the transportation network (URT); and (iii) the global system (UGS) as included in the tariffs.

The amount of €282 m of royalties mainly relates to the exploration and production of oil and gas in Brazil. Royalties are calculated taking into account an applicable rate of 10% for the production volumes in proportion to Galp's share valued at ANP's reference price.

"Other costs" include, among others, subcontracts and specialized services, freight costs, lease rents, insurance costs, electricity, steam, water and fuel costs, storage costs and maintenance and repair.

Financial derivatives include the financial settlement of derivatives, with the exception of FX derivatives which are recognized in other cost (positive €5 m) (2022: €59 m).

26. Employee costs

Accounting policies

Employee costs

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognized in the year in which the respective services are rendered by Galp employees.

Remuneration of the Board of Directors

In accordance with the current policy, the remuneration of Galp's Corporate Board members includes all the remuneration due for the positions held in Group companies and all accrued amounts related to the current period.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments on the date which they are granted and is recognised as an expense from the date of grant over the vesting period with a corresponding increase (credit) directly in equity. Galp measure the fair value of the services received by reference to the fair value of the equity instruments granted.

The cost of cash-settled transactions is recognized as an expense over the vesting period, measured by reference to the fair value of the corresponding liability which is recognized on the financial position (as other payables). The liability is remeasured at fair value at each balance sheet date until settlement, with changes in fair value recognised in income statements (as employee costs).

Unit: €m

	Notes	2023	2022
Employee costs		**450**	**369**
Capitalised employee costs		0	0
Total employee costs for the year		**450**	**369**
Statutory board salaries		5	8
Employee salaries		336	274
Social charges		76	63
Retirement benefits – pensions and insurance	17	8	4
Other insurances		13	11
Exchange differences		0	0
Other costs		12	10
Remuneration of the Board Members		**5**	**8**
Galp Energia SGPS Board Members		**4**	**6**
Salaries and cash bonuses		3	5
Pension funds contribution		1	1
Subsidiaries Board Members		**1**	**1**
Salaries and cash bonuses		1	1
Year-end number of full-time employees		**7,054**	**6,715**

The share-based employee compensation plans are the long-term incentive (LTI). Awards of shares of the Company under the LTI are granted upon certain conditions to eligible employees. The actual number of shares that may vest ranges from 0% to 160% of the awards, depending on the outcome of the prescribed performance conditions over a three-year period beginning on January 1 of the award year. The LTI plan comprises a 3 year rolling incentives plan, whereas in each year an incentives plan will be concluded and fulfilled by delivering Galp Energia SGPS, S.A. own stock. Total cumulative amount booked in Equity with the share-based payment plan is €25 m on 31 December 2023 and the amount recognised as cost was €23 m. Other former LTI plans to employees that were paid in cash were cancelled.

LTI plans by triennium and cumulative amounts recognised in Equity against P&L as at:

Unit: €m

	2023
Total	**25**
Plan 1 (2021-2023)	8
Plan 2 (2022-2024)	13
Plan 3 (2023-2025)	4

27. Financial income and expenses

Accounting policies

Financial income and expenses include interest on loans and bonds, leasing and retirement and other benefit plans. Other financial income and expenses from other financial assets or liabilities are not included in this caption.

The financial charges on loans obtained are recorded as financial expenses on an accruals basis. Financial charges arising from general and specific loans obtained to finance investments in fixed assets are assigned to tangible and intangible assets in progress, in proportion to the total expenses incurred on those investments net of investment government grants, until the commencement of operations. The remainder is recognized under the heading of financial expenses in the income statement for the year. Any interest income from loans directly related to the financing of fixed assets which are in the process of construction is deducted from the financial charges capitalized. Those financial charges included within fixed assets are depreciated over the useful lives of the respective assets.

Unit: €m

	Notes	2023	2022
		(81)	**713**
Financial income		**134**	**877**
Interest on bank deposits		108	51
Interest and other income with related companies		21	11
Other financial income		5	9
Results from derivative financial instruments	19	0	806
Financial expenses		**(215)**	**(164)**
Interest on bank loans, bonds, overdrafts and others		(121)	(61)
Interest on related party loans		0	(1)
Interest capitalized in fixed assets	5	49	30
Interest on lease liabilities	7	(102)	(85)
Net interest on retirement and other benefits	17	(7)	(3)
Charges relating to loans, bonds and credit lines		(10)	(10)
Exchange gains/(losses)		29	(8)
Results from derivative financial instruments	19	(22)	0
Other financial costs		(32)	(26)

In previous year, Financial income of €877 m relate mostly to Results from derivative financial instruments €806 m. This gain arose mostly due to derivatives that were liabilities in 2021 (losses) maturing during 2022 with the realized MTM losses being presented in cost of sales and sales. The negative impact of the settlement of derivatives (€983 m) in relation with financial net settlement is reflected in Cost of Sales (negative €640 m) (Note 25), settlement of FX derivatives (positive €59 m) is reflected in other costs (Note 25) and physical settlement of derivatives with gas sold (negative €401 m) in Sales (Note 24).

28. Commitments

The total contractual obligations and recognized non-current liabilities can be specified as follows (payments due for each period):

Unit: €m

	1-3 years	4-5 years	More than 5 years	Total
Total obligation recognized in the statement of financial position	**78**	**38**	**101**	**216**
Post-employment benefits	43	16	1	60
Other benefits	35	22	99	157
Total obligation not recognized in the statement of financial position	**3,092**	**861**	**10,867**	**14,820**
Natural gas purchases	4,134	1,789	13,772	19,695
Natural gas sales	(1,042)	(928)	(2,905)	(4,874)

These contracts require a minimum purchase quantity and are subject to price revision mechanisms indexed to international oil/gas quotes. The amounts were calculated based on the outstanding period of time of each of the different contracts, and management assumption of future natural gas prices as of 31 December 2023.

As part of its ongoing business operations, the Group has entered into agreements where commitments have been given for commercial, regulatory or other operational purposes. As of 31 December 2023 and 2022 obligations subject to collaterals granted are as follows:

Unit: €m

	2023	2022
Guarantees provided	**10,956**	**9,492**
Rio Grande LNG, LLC	1,962	2,032
Venture Global, LLC	1,810	1,875
Charter Agreement FPSO	1,778	1,516
Coral South FLNG project	445	472
Grenergy	155	155
Cercena Investments, S.L.U.	125	151
Solar power guarantees given to government agencies	75	53
Brazilian ANP	50	23
Petrobras	35	38
Others related to core activities	4,521	3,177

Under the contracts with Venture Global LLC and Rio Grande LNG LLC, related to the LNG Sales and Purchase Agreement, Galp provided a Parent Company Guarantee in the total amount of the contract €1,810 m (2022: €1,875 m) and €1,962 m (2022: €2,032 m), respectively.

Related to the six charter agreements for FPSOs, Galp provided a Parent Company Guarantee amounting to €1,778 m (2022: €1,516 m), in the name of Tupi, B.V., which represents Galp's proportion of the BM-S-11 consortium.

Under the financing of the Coral South FLNG project, Galp Energia SGPS S.A. is providing a Parent Company Guarantee related to the Debt Service Undertaking (DSU) agreement, on the total outstanding debt amount at any time in proportion to its participation. This guarantee expires at the time of the Actual Completion Date (estimated for the year 2024) if no obligations are outstanding under the DSU. As of 31 December 2023, Galp's stake in the obligation amounted to €401 m (2022: €425 m). Also within the scope of this financing, Galp Energia SGPS S.A. provides a guarantee covering 1/9 of the DSU on behalf of ENH Empresa Nacional de Hidrocarbonetos (ENH), one of consortium members of the Coral South FLNG project, which corresponds to Galp's share of the consortium, excluding ENH. As of 31 December 2023, Galp's stake in the responsibility taken on in relation to ENH amounts to €45 m (2022: €48 m).

The Group has entered into Power Purchase Agreement (PPA) with X-Elio (aka Cercena Investments) and Grenergy to supply solar energy for which it has provided Parent Company Guarantees amounting to €125 m and €155 m, respectively (2022: €151 m and €155 m, respectively).

The collateral granted to Petróleo Brasileiro S.A. ("Petrobras") amounting to €35 m is due to guarantees for gas supply contracts from the development modules of Lula Pilot and Lula NE.

The collateral for crude oil exploration concession agreements has been granted to the Brazilian Agency of Petroleum, Natural Gas and Biofuels ("ANP"), for an amount of €50 m (2022: €23 m). The collateral has been granted in connection with the Minimum Exploration Programmes where Galp, as a consortium member, is required to perform certain seismic and drilling and well activities during the exploration period.

Other guarantees related to core activities are essentially in relation to commercial and oil trading activity. The increase of the amount in guarantees is due to guarantees given for commercial activity.

Galp Group has financial debt that, in some cases, have covenants that can, if triggered by banks, lead to the early repayment of debt amounts. As of 31 December 2023, the total debt amounted to €3.6 bn, of which €2bn with covenants. The existing covenants are essentially designed to ensure compliance with financial ratios that monitor the financial position of the Company, including its ability to service debt. The Total Net Debt to consolidated EBITDA RC (excluding leases - IFRS 16) ratio is the most frequently used and, as of 31 December 2023 was 0.37 x in accordance with the methodology stated in the loan agreements. The ratio stipulated in the contracts in general must be equal or below the range of 3.25 – 3.75 x EBITDA.

29. Related party transactions

Accounting policies

A related party is a person or entity that is related to the entity preparing its financial statements, as follows:

(a) A person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity; (v) The entity is a post-employment defined benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The Group has had the following material transactions with related parties:

Unit: €m

	2023		2022	
	Current	Non-current	Current	Non-current
Assets:	**64**	**168**	**53**	**29**
Associates	61	0	48	29
Joint ventures	1	169	3	0
Other related entities	2	0	2	0

Unit: €m

	2023		2022	
	Current	Non-current	Current	Non-current
Liabilities:	**(102)**	**(26)**	**(68)**	**(53)**
Associates	(5)	(26)	(3)	(53)
Joint Ventures	(59)	0	(44)	0
Winland International Petroleum, S.A.R.L.	(37)	0	(20)	0
Other related entities	(1)	0	(1)	0

Unit: €m

	2023			2022		
	Purchases	Operating cost/income	Financial costs/income	Purchases	Operating cost/income	Financial costs/income
Transactions:	**0**	**(36)**	**13**	**(2)**	**(18)**	**0**
Associates	0	(28)	4	(2)	(34)	0
Joint Ventures	0	(15)	9	0	(11)	0
Other related entities	0	7	0	0	27	0

30. Environmental matters

Greenhouse gas emissions (CO_2 emissions)

Accounting policies

Galp makes judgements and estimations for the calculation of environmental obligations such as those resulting from greenhouse gas (CO_2) emissions. Galp receives annually free licenses, Emission Unit allowances (EUA), from the Portuguese Environment Agency to meet the emission of greenhouse gases. If the free allowances are insufficient to meet greenhouse gas emissions, Galp may purchase complementary allowances (EUA) assuming a cost that is recorded under "Cost of sales – Cost with the emissions of CO_2". However, if greenhouse gas emissions are higher than the equivalent of the allowances in the portfolio at the end of the financial year, a cost is specialized for the best estimate of the expenditure to be made at the spot market quotation of the allowances.

CO_2 emissions from the Group's industrial installations and CO_2 allowances allocated to it under the National CO_2 Allowance Allocation Plan do not give rise to any asset recognition, provided that: (i) the existence of costs to be incurred by the Group with the acquisition of emission allowances on the market is not estimated, situation in which a cost specialization is recognized or; (ii) it is considered that they are not sold. In case of surpluses and sale of these allowances a profit is recognized.

Galp has recognized in "Cost of sales – Costs with the emissions of CO_2" an amount of €74 m (Note 25). As of 31 December 2023, the certificates held in the portfolio are recognized in "Other receivables – Deferred charges – Other deferred charges", amounting to €73 m (2022: €85 m) (Note 11) and the estimated cost to cover the shortage of certificates in "Other payables – Accrued costs – other accrued costs", amounting to €74 m (2022: €87 m) (Note 15). CO_2 allowances (portfolio of allowances held) and the liability for CO_2 emissions are both derecognized on the settlement of the liability (which usually occurs in the following year with the delivery of the respective allowances) with the official environment agency.

Biofuels certificates

Accounting policies

In the absence of specific guidance on the accounting of biofuel certificates, IAS 20 allows non-monetary government grants and related assets (in this case biofuel certificates) received to be measured at nominal value.

Biofuel certificates awarded free of charge by ENSE, E.P.E. (National Energy Sector Entity, E.P.E.) are recognized at nominal value (i.e. at zero value).

The obligation for biofuels is recognized under "Other payables" when the obligation arises under local regulations. To the extent that covered by the biofuel certificates held for the purposes of legal compliance, liability is measured according to the value of those certificates held and the remaining part not covered at market value.

Biofuel certificates and biofuel liability are both derecognized on the settlement of the liability with the government environment agency.

Annually, national targets and obligations for biofuel incorporation are defined. Biofuels are mixed with existing fuels, such as petrol and diesel, to reduce net emissions. The biofuel quota in the total fuel sales mix is used to meet regulatory requirements. This can be achieved by mixing biofuels in refineries and/or distribution warehouses, by importing biofuels (to jurisdictions granting biofuel certificates at the point of importation) or by purchasing certificated from third parties (for jurisdictions that have a tradable biofuel certificate mechanism).

As of 31 December 2023, the following impacts were recognized on the financial statements:

- Operating cost – recognized under "Cost of sales": €125 m (2022: €172 m)
- Asset (arising from the purchase of certificates) – recognized under "Inventories": €17 m (2022: €20 m)
- Liabilities – recognized under "Other payables – Accrued costs – other accrued costs": €0 m (2022: €0 m)

31. Companies in the Galp Group

Judgment is required whenever an entity is acquired or modified in order to give a proper and clear image of the consolidated financial statements. In order to do this, several items are analysed to support the accounting decisions, namely:

- Power over the investee;
- Exposure or rights in relation to the variable results arising through its relationship with the investee; and
- Ability to use its power over the investee to impact the amounts of the results to the investors.

Shareholder agreements are also thoroughly analysed to identify any contract clauses which give substantive power or give only protection rights to the investor. An analysis of the substance rather than the legal form is necessary for proper accounting treatment.

Consolidation perimeter

The Companies consolidated in accordance with the full consolidation method are disclosed below:

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Parent company		
Galp Energia, SGPS, S.A., Portugal		
Subsidiaries by groups		
Galp Energia, S.A., Portugal	100%	•
Galp Energia E&P Subgroup		
Galp Energia E&P, BV, The Netherlands	100%	•
Galp Sinopec Brazil Services BV, The Netherlands	70%	•
Galp E&P Brazil BV, The Netherlands	100%	•
Galp Energia Brasil, S.A., Brazil	100%	•
Cascudo Solar Energia I, Ltd, Brazil	100%	•
Cascudo II Solar Energia, S.A., Brazil	100%	•
Cascudo III Solar Energia, S.A., Brazil	100%	•
Cascudo IV Solar Energia, S.A., Brazil	100%	•
Cascudo V Solar Energia, S.A., Brazil	100%	•
Cascudo VI Solar Energia , S.A., Brazil	100%	•
Cascudo VII Solar Energia, S.A., Brazil	100%	•
Murion Solar Energia SPE Ltda, Brazil	100%	•
Murion II Solar Energia, S.A., Brazil	100%	•
Murion III Solar Energia, S.A., Brazil	100%	•
Murion IV Solar Energia, S.A., Brazil	100%	•
Murion V Solar Energia, S.A., Brazil	100%	•
Murion VI Solar Energia, S.A., Brazil	100%	•
Murion VII Solar Energia, S.A., Brazil	100%	•
Murion VIII Solar Energia, S.A., Brazil	100%	•
Ventos de Santo Antão Energias Renováveis, S.A., Brazil	100%	•
Ventos de Santo Antão II Energias Renováveis, S.A., Brazil	100%	•
Ventos de Santo Antão III Energias Renováveis, S.A., Brazil	100%	•
Ventos de Santo Antão IV Energias Renováveis, S.A., Brazil	100%	•
Chalana Solar Energia Ltda, Brazil	100%	•
Açucena Solar Energia Ltda, Brazil	100%	•
Cerrado Solar Energia Ltda, Brazil	100%	•
Vereda II Solar Energia S.A., Brazil	100%	•
Vereda III Solar Energia S.A., Brazil	100%	•
Vereda IV Solar Energia S.A., Brazil	100%	•
Vereda V Solar Energia S.A., Brazil	100%	•
Vereda VI Solar Energia S.A., Brazil	100%	•
Vereda VII Solar Energia S.A., Brazil	100%	•
Vereda VIII Solar Energia S.A., Brazil	100%	•
Vereda IX Solar Energia S.A., Brazil	100%	•
Petrogal Brasil, BV, The Netherlands	100%	•
Petrogal Brasil, S.A., Brazil	70%	•
Petrogal Brasil Comercializadora, Lda.(ex-Galp Exploração Serviços do Brasil, Lda), Brazil	70%	•
Galp East Africa BV, The Netherlands	100%	•
Galp Energia Portugal Holdings BV, The Netherlands[1]	100%	•

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Galp Energia Rovuma BV, The Netherlands	100%	•
Galp Energia Rovuma BV(Mozambique branch), Mozambique	-	•
Galp West Africa, SA (ex-Galp Exploração e Produção Petrolífera, S.A.), Portugal	100%	•
Galp São Tomé e Príncipe Unipessoal, Limitada, São Tomé and Príncipe	100%	•
Windhoek PEL 23 BV, The Netherlands	100%	•
Windhoek PEL 23 BV (Branch in Namibia), Namibia	-	•
Windhoek PEL 28 BV,The Netherlands	100%	•
Windhoek PEL 28 BV (Branch in Namibia), Namibia	-	•
Galp Energia Overseas Block 14 BV, The Netherlands* [2]	100%	•
Galp Energia Overseas Block 14 BV – Branch in Angola, Angola*	-	•
Galp Energia Overseas Block 32 BV, The Netherlands* [2]	100%	•
Galp Energia Overseas Block 32 BV – Branch in Angola, Angola*	-	•
Galp Trading, S.A., Switzerland	100%	•
Tagus Re, S.A., Luxembourg	100%	•
Galp New Energies Subgroup		
Galp New Energies, S.A., Portugal	100%	
GDP Gás de Portugal, S.A. (ex-GDP – Gás de Portugal, S.A.), Portugal	100%	•
Enerfuel, S.A., Portugal	100%	•
Galp Bioenergy BV, The Netherlands	100%	•
Galp Parques Fotovoltaicos de Alcoutim Lda, Portugal	100%	•
GowithFlow, S.A., Portugal	100%	•
Enercapital Power Italia Uno SRL, Italy	100%	•
Fornax Energy, S.L.U., Spain	100%	•
Magallon 400, S.L., Spain[3]	68%	•
ISDC International Solar Development Corporation, Lda., Portugal	100%	•
QNO – Sociedade Agrícola, Unipessoal, Lda, Portugal	100%	•
Bujeo 2021, SLU (ex-Éter Solarbay S.L.), Spain	100%	•
Jerjes Energia, SLU (ex-Cíclope Solarbay, S.L.), Spain	100%	•
Duplexia Experts, S.L.U., Spain	100%	•
Gastroselector Market, S.L.U., Spain	100%	•

* Entities classified as Non-current assets held for sale on 31 December 2023 and expected to be sold in 2024.

Company and country	Percentage of shares owned	Activity
Pitarco Energia, S.L.U., Spain	100%	•
Ventinveste, S.A., Portugal	100%	•
Parque Eólico de Vale Grande, S.A., Portugal	100%	•
Titan 2020, S.A.U., Spain	100%	•
Renovables Spínola I, S.L.U., Spain	100%	•
Energia de Suria, S.L.U., Spain	100%	•
Energia Faetón, S.L.U., Spain	100%	•
Logro Solar, S.L.U., Spain	100%	•
Ictio Solar Orion, S.L.U., Spain	100%	•
Navabuena Solar, S.L.U., Spain	100%	•
PV XXVI Rescesvinto, S.L., Spain	100%	•
Ictio Toledo Solar, S.L.U., Spain	100%	•
Ictio Solar, S.L.U., Spain	100%	•
Ictio Solar Auriga, S.L.U., Spain	100%	•
Ictio Manzanares Solar, S.L.U., Spain	100%	•
Caliza Solar, S.L.U., Spain	100%	•
Taburete Solar, S.L.U., Spain	100%	•
PV XXIX Égica, S.L.U., Spain	100%	•
Ahín PV Solar, S.L.U., Spain	100%	•
Ictio Solar Andrómeda, S.L.U., Spain	100%	•
Ictio Solar Berenice, S.L.U., Spain	100%	•
Alcañiz Solar, S.L.U., Spain	100%	•
Ictio Solar Perseus, S.L.U., Spain	100%	•
Instalaciones y Servicios Spínola I, S.L.U., Spain	100%	•
Instalaciones y Servicios Spínola II, S.L.U., Spain	100%	•
Energia Sierrezuela, S.L.U., Spain	100%	•
Titan 2020 PV, S.L.U., Spain	100%	•
Palabra Solar, S.L.U., Spain	100%	•
Planta Solar Alcázar 1, S.L.U., Spain	100%	•
Planta Solar Alcázar 2, S.L.U., Spain	100%	•
PE Valdecarro, S.L.U., Spain	100%	•
Energías Ambientales de Soria, S.L.U., Spain	100%	•
El Robledo Eólica, S.L.U., Spain	100%	•

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Ribagrande Energia, S.L.U., Spain	100%	•
Valdelagua Wind Power, S.L.U., Spain	100%	•
Escarnes Solar, S.L.U., Spain	100%	•
Envitero Solar, S.L.U., Spain	100%	•
Mocatero Solar, S.L.U., Spain	100%	•
Escatrón Solar, S.L.U., Spain	100%	•
Ignis Solar Uno, S.L.U., Spain	100%	•
Emoción Solar, S.L.U., Spain	100%	•
Mediomonte Solar, S.L.U., Spain	100%	•
Esplendor Solar, S.L.U., Spain	100%	•
Hazaña Solar, S.L.U., Spain	100%	•
Talento Solar, S.L.U., Spain	100%	•
Petrogal Subgroup		
Petrogal, S.A., Portugal	100%	• •
Petrogal, S.A. (Branch in Spain), Spain	-	•
Galp Energia España, S.A.U., Spain	100%	•
Galpgest – Petrogal Estaciones de Servicio, S.L.U., Spain	100%	•
Galp Energia Independiente, S.L.U. (ex-Recule Investments SL), Spain	100%	•
Galp Energia Independiente SL (Branch in Portugal), Portugal	-	•
EI Galp, S.A. (ex-Perfeito e Empolgante, S.A.), Portugal	100%	•
Galp Açores S.A., Portugal	100%	•
Saaga – Sociedade Açoreana de Armazenagem de Gás, S.A., Portugal	68%	•
Galp Madeira S.A., Portugal	100%	•
CLCM – Companhia Logistica de Combustíveis da Madeira, S.A., Portugal	75%	•
Sacor Marítima, S.A., Portugal	100%	•
C.L.T. – Companhia Logística de Terminais Marítimos, S.A., Portugal	100%	•
Sempre a Postos – Produtos Alimentares e Utilidades, Lda., Portugal	75%	•
Tanquisado – Terminais Marítimos, S.A., Portugal	100%	•
Galpgeste – Gestão de Áreas de Serviço, S.A., Portugal	100%	•
Portcogeração, S.A., Portugal	100%	•
Galp Marketing Internacional, S.A., Portugal	100%	•
Petrogal Guiné-Bissau, Lda., Guinea-Bissau	100%	•
Petromar – Sociedade de Abastecimentos de Combustíveis, Lda., Guinea-Bissau	80%	•
Petrogás – Importação, Armazenagem e Distribuição de Gás, Lda., Guinea-Bissau	65%	•
C.L.C. Guiné Bissau – Companhia Logística de Combustíveis da Guiné Bissau, Lda., Guinea-Bissua	90%	•
Empresa Nacional de Combustíveis – Enacol, S.A.R.L, Cape Verde*	48%	•
Enamar – Sociedade Transportes Marítimos, Sociedade Unipessoal, S.A., Cape Verde	48%	•
Petrogal Moçambique, Lda., Mozambique	100%	•
Galp Moçambique, Lda., Mozambique	100%	•
Galp Moçambique, Lda. (Branch in Malawi), Malawi	-	•
Galp Eswatini (PTY) Limited, Eswatini	100%	•
Petrogal Angola, Lda., Angola	100%	•
Galp Gás Natural, S.A., Portugal	100%	• •
GDP – Gás de Portugal, S.A. (ex-Transgás Armazenagem, S.A.), Portugal	100%	•
Transgás, S.A., Portugal	100%	•
Lisboagás Comercialização, S.A., Portugal	100%	•
Lusitaniagás Comercialização, S.A., Portugal	100%	•
Setgás Comercialização, S.A., Portugal	100%	•
Agroger – Sociedade de Cogeração do Oeste, S.A., Portugal	100%	•
LGA – Logística Global de Aviação, Lda, Portugal	60%	•

* During 2023 Enacolgest merged with Enacol, S.A. The Group controls Enacol's financial and operational policies and is expected to continue to do so by means of a representative majority of votes at the Board of Directors' meetings.
[1] 73.24% of the interest held by Galp Energia E&P, BV and 26.76% held by Petrogal, S.A.
[2] 61.84% of the interest held by Galp Energia E&P, BV and 38.16% held by Galp West Africa, S.A.
[3] 53.24% of the interest held by Fornax Energy, SLU, 7.14% held by Duplexia Experts, SL and 7.14% held by Gastroselector Market, SL.

Unincorporated joint operations

Joint operations – Oil Consortia	
Consortium	**Galp's participation interest**
Oil Consortium in Brazil	
BM-S-8	20%

Joint operations – Oil Consortia	
Consortium	Galp's participation interest
BM-S-11	10%
BM-S-11 A[1]	10%
BM-S-24[2]	20%
BAR-300	10%
BAR-342	10%
BAR-344	10%
BAR-388	10%
Carcará Norte	20%
Block Uirapuru	14%
Cabinuas	10%
Oil Consortium in Mozambique	
Area 4	10%
Oil Consortium in Namibia	
PEL83	80%
Oil Consortium in São Tomé and Príncipe	
Block 6	45%
Block 11	20%
Block 12	41%
Oil Consortium in Angola	
Block 14**	9%
Block 14K**	4.5%
Block 32**	5%
Sonagas*	10%
Oil Consortium in Uruguay*	
Area 3	20%
Area 4	20%

* Joint operations with no activity during 2023 and in process of closing
** In sales process
[1] Includes the field Atapú (Galp share 1.7%)
[2] Includes the field Sépia (Galp share 2.4%)

Incorporated Joint Operations

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Sigás – Armazenagem de Gás, A.C.E., Portugal	60.00%	•
Pergás – Armazenamento de Gás, A.C.E., Portugal	51.00%	•
Comunidad de Bienes Chiprana Este, Spain	100.00%	•
Comunidad de Bienes Jarrina, Spain	100.00%	•
Comunidad de Bienes Aragon Sul, Spain	100.00%	•
Comunidad de Bienes Samper de Calanda, Spain	100.00%	•
Comunidad de Bienes Peaker, Spain	83.33%	•
Comunidad de Bienes El Corralito, Spain	68.08%	•
Multiservicios Galp Barcelona, Spain	50.00%	•

Joint Ventures

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Tupi B.V., The Netherlands*	6.48%	•
Iara B.V., The Netherlands*	1.20%	•
Coral FLNG, S.A., Mozambique*	10.00%	•
Coral South FLNG DMCC, United Arab Emirates*	10.00%	•
Rovuma LNG, S.A., Mozambique*	10.00%	•
Rovuma LNG Investments (DIFC) LTD., United Arab Emirates*	10.00%	•
C.L.C. – Companhia Logística de Combustíveis, S.A., Portugal*	65.00%	•
Asa – Abastecimento e Serviços de Aviação, Lda., Portugal	50.00%	•
Aurora Lith, S.A., Portugal	50.00%	•
Talar Renewable Energy, S.L., Spain	50.00%	•

*Galp has joint control for the selected entities even if it holds more or less than 50% of the shares by means of a Shareholder agreement that conveys substantive power to conclude joint control for the joint shareholder or Galp.

Investment in Associates

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Aero Serviços, SARL – Sociedade Abastecimento de Serviços Aeroportuários, Guinea-Bissau*	50.00%	•
EMPL – Europe Maghreb Pipeline, Ltd, Spain	22.80%	•
Galp IPG Matola Terminal Lda, Mozambique	45.00%	•
Geo Alternativa, S.L., Spain	25.00%	•
IPG Galp Beira Terminal Lda, Mozambique	45.00%	•
Metragaz, S.A., Marocco	22.64%	•
Sodigás-Sociedade Industrial de Gases, S.A.R.L, Cape Verde	23.05%	•
Sonangalp – Sociedade Distribuição e Comercialização de Combustíveis, Lda., Angola	49.00%	•
Hytlantic, S.A., Portugal	28.50%	•
Terparque – Armazenagem de Combustíveis, Lda., Portugal	15.90%	•
Imopetro – Importadora Moçambicana de Petróleos, Lda, Mozambique	5.88%	•
CMD – Aeroportos Canarios S.L., Spain***	15.00%	•
SABA – Sociedade abastecedora de Aeronaves, Lda., Portugal	25.00%	•
Belem Bioenergia Brasil, S.A., Brazil	49.99%	•
Galp Gás Natural Distribuição Subgroup		
Floene Energias, S.A. (ex-Galp Gás Natural Distibuição, S.A.), Portugal**	2.49%	•
Beiragás – Companhia de Gás das Beiras, S.A., Portugal**	1.48%	•
Dianagás – Soc. Distrib. de Gás Natural de Évora, S.A., Portugal**	2.49%	•
Duriensegás – Soc. Distrib. de Gás Natural do Douro, S.A., Portugal**	2.49%	•
Lisboagás – Sociedade Distribuidora de Gás Natural de Lisboa, S.A., Portugal**	2.49%	•
Lusitaniagás – Companhia de Gás do Centro, S.A., Portugal**	2.42%	•
Medigás – Soc. Distrib. de Gás Natural do Algarve, S.A., Portugal**	2.49%	•
Paxgás – Soc. Distrib. de Gás Natural de Beja, S.A., Portugal**	2.49%	•
Setgás – Sociedade de Produção e Distribuição de Gás, S.A., Portugal**	2.49%	•
Tagusgás – Empresa de Gás do Vale do Tejo, S.A., Portugal**	2.47%	•

* Galp has significant influence even though it holds 50%, of the shares of Aero Serviços SARL.
** Galp has significant influence even though it holds less then 20% of the shares.
*** The shares held on CMD (15%) results of a liquidation process of former entity Galp Disa Aviación whereas Galp had a stake of 50%

32. Subsequent events

Accounting policy

Events occurring after the date of the financial statements and which provide indications of conditions that exist after the date of the financial statements, if material, are disclosed in the Notes to the consolidated financial statements.

Shares buyback programme 2024

On 12 February 2024, Galp has announced the start of a €350 m share repurchase of Galp Energia SGPS, S.A. shares with the purpose to reduce the issued share capital of the Company, following the capital allocation guidelines related to the 2023 fiscal year and the authorisations in place. The buyback is planned to be done in 2024. In addition, Galp's Board of Directors has approved a share-based remuneration plan as part of the Company's long-term incentives. Hence, Galp will also repurchase shares for such purpose, up to 1% of the share capital as per the authorisations in place.

Namibia Exploration (PEL 83)

Galp together with its partners, has drilled and logged the first exploration well (Mopane-1X) in block PEL83, offshore Namibia, which had begun in November 2023.

Galp confirmed on 10 January 2024 the discovery of a significant column of light oil in reservoir-bearing sands of high quality. In addition, on 14 March 2024, Galp has successfully drilled the second exploration well (Mopane-2X), discovering a significant column with light oil in reservoirs of high quality.

No impact on the Consolidated Statement of Income, Consolidated Statements of Financial Position or Consolidated Statement of Cash Flows from the events mentioned above.

33. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 5 April 2024. However, they are still subject to approval by the General Meeting of Shareholders, in accordance with the commercial law applicable in Portugal.

Chairman:

Paula Amorim

Vice-chair and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-chair and CEO:

Filipe Silva

Members:

Maria João Carioca

Georgios Papadimitriou

Ronald Doesburg

Rodrigo Vilanova

João Diogo Silva

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Jorge Seabra de Freitas

Rui Paulo Gonçalves

Diogo Tavares

Cristina Neves Fonseca

Javier Cavada Camino

Cláudia Almeida e Silva

Fedra Ribeiro

Ana Zambelli

Accountant:

Cátia Cardoso

34. Explanation regarding translation

These financial statements are a translation of the financial statements originally issued in Portuguese in accordance with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform to the generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version shall prevail.

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(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Galp Energia, SGPS, S.A. (the Group or Galp), which comprise the Consolidated Statement of Financial Position as at 31 December 2023 (showing a total of 16.606 million of euros and a total equity of 5.329 million of euros, including a net profit for the year of 1.451 million of euros), and the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and Notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Galp Energia, SGPS, S.A. as at 31 December 2023, and of its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Recoverability of non-current assets, including the potential impacts of climate change and energy transition

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As of December 31, 2023, the amount of non-current assets recognized in the Group's consolidated financial statements totals 6.688 million euros, of which 3.860 million euros are in the Upstream segment (Notes 5 and 6). Auditing the recoverability of non-current assets is subjective due to the significant amount of judgement involved in determining whether indicators of impairment or impairment reversal exist, particularly for longer term assets. Indicators should reflect significant upward or downward revisions in assumptions impacting the future potential long-term value of an asset, rather than drivers of short-term fluctuations in value. Key judgements in determining whether indicators of impairment or impairment reversal exist include changes in forecast commodity price and refining margin assumptions, movements in oil and gas reserves, the expected useful lives of assets, changes in asset performance and future development plans, including those relating to Group's carbon emission reduction targets. As described in Notes 2 and 5, the most complex of these judgements relate to management's view on the long-term oil and gas price outlook. Forecasting future prices is inherently difficult, as	Our approach included the following procedures: ► Understanding and evaluating management´s process for defining cash-generating units and for the identification of indicators of impairment and reversals of impairment. ► Related to oil and gas price projections and refining margins our procedures included: ► Assessing the reasonableness of future short and long-term oil and gas price assumptions by comparing these to an independently developed reasonable range of forecasts based on consensus analysts' forecasts and those adopted by other energy companies; ► Comparing Galp's oil and gas price scenarios to the IEA's Net Zero Emissions 2050 (NZE) and to the IEA's Announced Pledges Scenario (APS) price assumptions as potential contradictory evidence for best estimates of future oil and gas prices. The APS assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, will be met in full and on time; and ► Evaluating the reasonableness of Galp's refining margin assumptions by comparing these to independent market and consultant forecast. ► Related to oil and gas reserves our procedures included: ► Assessing the professional qualifications, independence and objectivity of Management's independent expert responsible for preparing the oil and gas reserves estimate and comparing the certified volumes with those included in the impairment analyses and prior year estimates; ► Performing back-testing of historical data to identify indications of estimation bias over time; and ► In order to assess the risk of the reserves not ultimately being produced we analyzed the carbon intensity of Galp's Upstream segment assets, focusing on those with higher carbon intensity and assessing the potential impact on the long-term value of these assets.

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
it requires forecasts that reflect developments in demand such as global economic growth, technology efficiency, policy measures and, on the supply side, consideration of investment and resource potential, cost of development of new supply and behavior of major resource holders. These judgements are particularly difficult because of increased demand uncertainty and pace of decarbonization due to climate change and the energy transition.	▶ Related to individual assets impairment assessments our procedures included: ▶ Separately from management, for material assets, assessing whether or not indicators of impairment or reversal triggers exist and considered the existence of contradictory evidence, such as public comments or commitments made by Galp in relation to its energy transition strategy and whether these could impact the recoverable amount of any of Group's assets; ▶ Challenging management's identification of CGUs based on industry practice and how cash flows are generated; ▶ Testing the Group discount rates, with the support of our professionals with specialized knowledge in valuations, through comparison with relevant market and industry data; ▶ Where triggers were identified, assessing the most relevant inputs to the impairment assessment by comparing asset forecasts to Group's business plan and life fields plans, historical actuals and other independent expectations. We also performed a consistency check on the assumptions to other assumptions applied by the Group, including those related to Galp's carbon reduction targets; ▶ Testing the model integrity of material impairment assessments; and ▶ Performing sensitivity analyses on critical assumptions of the impairment analyses, namely on future oil and gas prices, refining margins, CO2 prices and oil and gas reserves. ▶ Related to exploration and evaluation (E&E) assets our procedures included, assessing the recoverability risk of these assets against the impairment criteria within IFRS 6 Exploration for and Evaluation of Mineral Resources, challenging management on the likelihood of progressing these assets, including the strategic fit of the assets, planned capex and project economics, considering Group's energy transition targets. We have assessed the disclosures in Notes 5 and 6 related to non-current assets, including the sensitivity of the carrying value of assets to changes in future oil and gas price assumptions.

2. Accounting for complex transactions within Galp's Energy Management Function and the valuation of derivative financial instruments

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As described in Note 19, Galp recognised commodity derivatives assets of 261 million euros and commodity derivatives liabilities of 199 million euros, having recognized non-realized losses and realized gains on derivative financial instruments of 23 million euros and 47 million euros, respectively. Galp's Energy Management function, which is integrated within the different group's business offices and its financial contribution reported under the Industrial and Midstream segment, executes and settles a significant number of trades a day across multiple geographic locations. The volume and complexity of these transactions have increased year on year as Galp's Energy Management undertakes an important role in Galp's energy supply activities and the value maximization of the supply and trading of all products. The IT environment supporting the function is complex which mandates timely control activities. The global regulatory requirements for commodity traders continue to increase, which, together with the increase in complexity of trades, means there is greater financial, reputational and operational risk within the business. Auditing unrealized trading gains and losses is complex because of the significant judgement used in determining the appropriate accounting treatment, and the key assumptions used in valuing the trades. Trading is not always carried out in active markets where prices are readily available, increasing subjectivity used in determining the pricing curve and volatility assumptions, which are key inputs to valuing the trades. Furthermore, the business inherent risks may create the opportunity for unauthorized trading activity or deliberate misstatement of Galp's trading positions or mismarking of positions. This creates a risk of	Our approach included the following procedures: ► Understanding and evaluating Energy Management function's processes and controls; ► Testing the completeness of the complex deal register, to ensure it contained all material, complex and long dated trades; ► Obtaining an understanding of the commercial rationale of complex and long-dated deals by analyzing transaction documentation and agreements, and through discussions with management; ► Assessing the compliance of accounting policies for derivative financial instruments with the principles of IFRS 9 Financial instruments, including assessment of the designation of qualifying cash flow hedges; ► Analyzing, through analytical review procedures, of balances related to derivative financial instruments in order to confirm whether the changes occurred are consistent with the expectations formed, taking into account changes in the business environment and in the prices of major commodities and the number of transactions; ► Testing the forward pricing curve and other relevant assumptions in management's valuation models, including comparisons to external broker quotes, market consensus providers and our independent assessments; ► Involving specialists to assist us in performing independent testing of complex valuation models used for the valuation of derivatives that do not have quoted prices and whose valuation is based on predominantly unobservable inputs (Level 3) on fair value hierarchy. Our testing was based on independently sourced inputs from external broker quotes and benchmarking for certain unobservable parameters; ► Reconciling, on a sample basis, of open positions at the date of the consolidated statement of financial position with independent or counterparty statements; and ► Review, reconciliation and verification of the adequacy and consistency of the calculations performed by the information systems and spreadsheets relating to derivative financial instruments.

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
understated trading losses, overstated trading profits and/or individual bonuses being manipulated through inappropriate inter-period profit/loss allocations.	We have reviewed of the adequacy of disclosures related to derivative financial instruments and hedge accounting (Notes 19, 20 and 27), including those related to fair value, in accordance with applicable accounting standard.

3. Termination of refining activities in Matosinhos

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As announced in December 2020, Galp has decided to concentrate its refining activities in Sines, discontinuing refining operations in Matosinhos. Subsequently, Galp announced a protocol with the municipality of Matosinhos and CCDR-N, to jointly develop an integrated solution aimed at creating an innovation district that will renovate the area where the refinery was installed. In October 2023, the Group has initiated the demolition work of the Matosinhos refinery following the first phase of the deactivation plan submitted to the Portuguese Environment Agency, having updated the expected future financial impacts based on the most updated information. Accordingly, at December 31, 2023, the Group carries a provision for dismantling, decommissioning and decontamination of the Matosinhos refinery in the amount of 269 million euros (Note 18). The materiality of the amounts and the degree of judgement associated with (i) assessing the recoverable amount of certain assets located at the Matosinhos refinery in the context of their future use and (ii) estimating closure costs, namely due to the limited past experience in activities considered reference for future cost estimates, which often depend on the extent of the contamination of the assets	Our approach included the following procedures: ► Understanding Galp's updated plan for the discontinuation of the refining operations in Matosinhos, including interactions with Galp's team specially created for this purpose, with special focus on the changes from the previous year and the adaptation of the park area to the operational requirements considering its future use; ► Testing the completeness of assets subject to impairment and assessing the reasonableness of the assumptions and significant judgements underlying the determination of its recoverable amount. For assets not subject to impairment we've assessed the existence of potential impairment indicators, namely by understanding their future use and projecting the recoverable amount of these assets based on technical documentation; ► Understanding the process and assumptions used by management for determining changes to the estimate of costs to be incurred with the dismantling, decommissioning and decontamination. Our procedures included assessing the consistency of this estimate with the technical evaluation performed by the independent experts and industry practice; ► Evaluating the reasonableness of the key data and assumptions used in determining future closure costs, namely: (i) size of the industrial area and tank storage capacity, comparing this data with available public sources or technical documentation; (ii) cost drivers, by reviewing studies and documentation related to previously decommissioned facilities or sites;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
to be decommissioned, the impact and timing of the necessary corrective actions as well as environmental requirements that must be followed, justify that this was considered as a key audit matter.	► Assessing the professional qualifications and objectivity of the Management independent experts responsible for preparing the cost estimate for decontamination and decommissioning; ► Reviewing contracts and other documentation (including research on any litigations and claims against the Group) to assess potential obligations or disclosures of contingent liabilities; and ► Assessing the reasonableness of the measurement criteria for the provision taking into consideration the expected timing of the activities and the reasonableness of the discount rate, for which we engaged our professionals with specialized knowledge in valuations. We have verified the appropriateness of the disclosures presented in Note 18, in accordance with applicable accounting standards.

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- the preparation of the Integrated Management Report, the Corporate Governance Report, the consolidated non-financial statement and the remuneration report, in accordance with the applicable legal and regulatory requirements;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or which safeguards have been applied.

Our responsibility includes the verification of the consistency of the Integrated Management Report with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the consolidated non-financial statement and the remuneration report have been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

On the Corporate Governance Report

Pursuant to article 451, nr. 4, of the Commercial Companies Code, it is our understanding that the Corporate Governance report, includes the information required the Group to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of the nº1 of the referred article.

On non-financial information

Pursuant to article 451, nr. 6, of the Commercial Companies Code, we hereby inform that the Group has prepared a report separate from the Integrated Management Report, which includes the consolidated non-financial information, as provided for in Article 508-G of the Commercial Companies Code, and has been disclosed together with the Integrated Management Report.

On the Remuneration Report

Pursuant to article 26-G, nr. 6, of the Securities Code, we inform that the Group has included in an autonomous chapter in its Corporate Governance Report the information provided for in nr. 2 of the referred article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Galp Energia SGPS, S.A. (Group's parent entity) for the first time in the shareholders' general meeting held on 12 April 2019 for a mandate from 2019 to 2022. We were reappointed in the shareholders' general meeting held on 3 May 2023 for a second mandate from 2023 to 2026.
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Entity on 5 April 2024; and
- We declare that we have not provided any prohibited services as described in article 5, of the Regulation (EU) nr. 537/2014, of the European Parliament and of the Council, of 16 April 2014 and we have remained independent of the Entity in conducting the audit.

European Single Electronic Format (ESEF)

Galp Energia, SGPS, S.A.'s consolidated financial statements for the year ended 31 December 2023 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (the "ESEF Regulation").

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the Institute of Statutory Auditors' Technical Application Guide on ESEF reporting and included, among others:

- Obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- Identifying and assessing the risks of material misstatement associated with marking up the consolidated financial statement information in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the Group to mark up the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 5 April 2024

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Abel Serra Martins - ROC n.º 1119
Registered with the Portuguese Securities Market Commission under license nr. 20160731

Statement of financial position

Galp Energia, SGPS, S.A.

Statement of financial position as at December 31, 2023 and December 31, 2022

(Amounts stated in thousand Euros – €k)

	Notes	2023-12	2022-12
Right-of-use assets	6	165	137
Investments in subsidiaries, associates and joint ventures	9	5,870,011	3,914,942
Deferred tax assets	16	181	181
Other receivables	11	90	90
Other financial assets	12	150	1,332,850
Non-current assets		**5,870,597**	**5,248,199**
Other financial assets	12	122,766	1,079,780
Trade receivables	11	787	3,718
Other receivables	11	5,144	10,080
Current income tax receivable	16	182,934	344,227
Cash and cash equivalents	13	288,918	459,061
Current assets		**600,549**	**1,896,866**
Total assets		**6,471,146**	**7,145,065**
Share capital and share premium	22	773,083	897,117
Reserves	22	188,092	193,828
Retained earnings		813,800	1,143,543
Total equity		**1,774,975**	**2,234,488**
Financial debt	14	2,418,067	2,880,302
Lease liabilities	6	96	68
Other payables	15	1,433	2,106
Non-current liabilities		**2,419,596**	**2,882,476**
Financial debt	14	428,457	767,400
Lease liabilities	6	73	72
Trade payables	15	980	472
Other payables	15	41,113	35,391
Current income tax payable	16	136,240	331,376
Other financial liabilities	12	1,669,714	893,389
Current liabilities		**2,276,577**	**2,028,101**
Total liabilities		**4,696,171**	**4,910,577**
Total equity and liabilities		**6,471,146**	**7,145,065**

The accompanying notes form an integral part of the statement of financial position and should be read in conjunction.

Income statement and statement of comprehensive income

Galp Energia, SGPS, S.A.

Income statement and statement of comprehensive income for the years ended December 31, 2023 and December 31, 2022

(Amounts stated in thousand Euros – €k)

	Notes	2023-12	2022-12
Services rendered	23	9,002	10,363
Other operating income	23	4,041	269
Financial income	23 and 26	112,659	58,209
Earnings from associates and joint ventures	9 and 23	468,220	1,020,187
Total income and gains		**593,921**	**1,089,028**
Supplies and external services	24	(5,631)	(4,776)
Employee costs	24 and 25	(6,267)	(8,293)
Amortization, depreciation and impairment losses on fixed assets and right-of-use	6 and 24	(85)	(74)
Other operating expenses	24	(804)	(1,221)
Financial expenses	24 and 26	(152,018)	(68,479)
Total expenses and losses		**(164,805)**	**(82,843)**
Profit/(Loss) before taxes and other contributions		**429,116**	**1,006,185**
Income tax	16	8,528	2,223
Net profit for the year		**437,644**	**1,008,408**
Basic Earnings per share (in Euros)		**0.55**	**1.24**
Diluted Earnings per share (in Euros)		**0.55**	**1.24**
Net profit for the year		**437,644**	**1,008,408**
Total comprehensive income for the year		**437,644**	**1,008,408**

The accompanying form an integral part of the income statement and statement of comprehensive income and should be read in conjunction.

Statement of changes in equity

Galp Energia, SGPS, S.A.

Statement of changes in equity for the years ended December 31, 2023 and December 31, 2022

(Amounts stated in thousand Euros – €k)

	Notes	Share capital	Own shares	Share premium	Reserves	Retained earnings	Net profit for the year	Total
Balance as at 1 January 2022		**829,251**	**0**	**82,006**	**193,828**	**191,206**	**500,387**	**1,796,676**
Net profit for the year		0	0	0	0	0	1,008,408	1,008,408
Comprehensive income for the year		**0**	**0**	**0**	**0**	**0**	**1,008,408**	**1,008,408**
Dividends distributed	22	0	0	0	0	(420,446)	0	(420,446)
Increase/Decrease in Reserves through distribution of profit		0	0	0	0	500,387	(500,387)	0
Repurchase of shares		0	(150,151)	0	0	0	0	(150,151)
Cancelling of shares		(14,139)	150,151	0	0	(136,012)	0	0
Balance as at 31 December 2022		**815,112**	**0**	**82,006**	**193,828**	**135,134**	**1,008,408**	**2,234,488**
Balance as at 1 January 2023		**815,112**	**0**	**82,006**	**193,828**	**135,134**	**1,008,408**	**2,234,488**
Net profit for the year		0	0	0	0	0	437,644	437,644
Comprehensive income for the year		**0**	**0**	**0**	**0**	**0**	**437,644**	**437,644**
Dividends distributed	22	0	0	0	0	(422,226)	0	(422,226)
Increase/Decrease in Reserves through distribution of profit		0	0	(82,006)	(30,805)	1,121,219	(1,008,408)	0
Repurchase of shares		0	(500,000)	0	0	0	0	(500,000)
Cancelling of shares		(42,029)	500,000	0	0	(457,971)	0	0
Long-term Incentives		0	0	0	25,069	0	0	25,069
Balance as at 31 December 2023		**773,083**	**0**	**0**	**188,092**	**376,155**	**437,644**	**1,774,975**

The accompanying notes are an integral part of statement of changes in equity and should be read in conjunction.

Statement of cash flows

Galp Energia, SGPS, S.A.

Statement of cash flows for the years ended December 31, 2023 and December 31, 2022

(Amounts stated in thousand Euros – €k)

	Notes	2023-12	2022-12
Cash received from customers		19,694	16,413
Cash paid to suppliers		(10,138)	(9,779)
Cash paid to employees		(3,272)	(3,589)
Income tax received/(paid)		(25,720)	(1,979)
Other (payments)/receipts from operating activities		(7,121)	(18,687)
Dividends received		468,420	1,020,187
Cash flows from operating activities (1)		**441,862**	**1,002,566**
Cash receipts relating to:			
Financial investments		920,000	0
Interest and similar income		92,558	37,404
Loans granted		996,932	17,225
Cash payments relating to:			
Financial investments		(1,517,500)	(817,421)
Loans granted		(21,027)	(771,788)
Cash flows from investment activities (2)		**470,963**	**(1,534,580)**
Cash receipts relating to:			
Interest-bearing liabilities		2,025,985	6,542,678
Cash payments relating to:			
Repurchase of shares	22	(500,000)	(150,150)
Interest-bearing liabilities	14	(2,114,187)	(5,714,774)
Interests on interest-bearing liabilities		(90,593)	(35,894)
Interests and similar expenses		(1,918)	(8,407)
Leases	6	(86)	(74)
Leases interest	6	(4)	(5)
Dividends/profit distribution		(422,226)	(420,446)
Cash flows from financing activities (3)		**(1,103,029)**	**212,927**
(Decrease)/Increase in cash and cash equivalents (4) = (1) + (2) + (3)		(190,203)	(319,087)
Effect of exchange rate change on cash and cash equivalents		(21)	2,336
Cash and cash equivalents at the beginning of the year		459,061	775,812
Cash and cash equivalents at the end of the year		**268,837**	**459,061**

The accompanying notes are an integral part of the statement of cash flows and should be read in conjunction.

Notes to the financial statements

1. Corporate information

Galp Energia, SGPS, S.A. (hereinafter referred to as "Galp" or the "Company"), was incorporated as a government-owned corporation under Decree-Law 137-A/99 of 22 April 1999, under the name Galp – Petróleos e Gás de Portugal, SGPS, S.A., having adopted its current designation of Galp Energia, SGPS, S.A. on 13 September 2000.

The Company's registered office is in Lisbon and its main purpose is the management of other companies having, as of the date of its incorporation, taken control of the Portuguese state's direct shareholdings in the following companies: Petróleos de Portugal – Petrogal, S.A. (currently named Petrogal, S.A.); GDP — Gás de Portugal, SGPS, S.A. (currently named Galp New Energies, S.A.) and Transgás – Sociedade Portuguesa de Gás Natural, S.A. (currently named Galp Gás Natural, S.A.).

The Company's corporate purpose is to manage shareholdings of other companies in the energy sector, as an indirect way of carrying out economic activities.

During the previous years, the Company shareholders positions suffered several changes and the Company shareholder position as at December 31, 2023 is stated in Note 22.

Part of the Company's shares, representing 92% of its share capital, are listed on the Euronext Lisbon stock exchange.

2. Material information on accounting policies, estimates and judgements

Basis of presentation

The Company's financial statements were prepared on a going concern basis, at historical cost, except for financial derivative instruments, which are stated at fair value, based on the accounting records of the Company, maintained in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), effective for the year beginning 1 January 2023. These standards comprise International Financial Accounting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and related interpretations – SIC and IFRIC, issued by the Standing Interpretation Committee ("SIC") and International Financial Reporting Interpretation Committee ("IFRIC"). These standards and interpretations are hereinafter referred to as IFRS.

The Company's Board of Directors believes that the accompanying financial statements and the notes to the financial statements ensure an adequate presentation of the financial information.

The accompanying financial statements are presented in thousands of Euros (units: €k), functional currency, rounded to the nearest thousand, unless otherwise stated. Therefore, the subtotals and totals of the tables presented in these financial statements and explanatory notes may not be equal to the sum of the amounts presented, due to rounding.

Material accounting policy information is presented, according to their content, in the respective accompanying note. Material accounting policy information which are common or generic to the various notes are presented in this note.

Judgments and estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires estimates that affect the recorded amount of assets and liabilities, the disclosure of contingent assets and liabilities at the end of each year and income and expenses recognized each year. The actual results could be different depending on the estimates made.

Certain estimates are considered critical if: (i) the nature of the estimates is considered to be significant due to the level of subjectivity and judgment required to record situations in which there is great uncertainty or are very susceptible to changes in these situations; and (ii) the impact of the estimates on the financial situation or operating performance is significant.

The accounting principles and areas that require the greatest number of judgments and estimates in the preparation of the financial statements are: (i) financial investments in subsidiaries, associates and joint ventures (Note 9); (ii) impairment of accounts receivable and other financial assets (Notes 11 and 12); and (iii) deferred tax assets and estimates of uncertain tax positions (Note 16).

General accounting policies

Translation of foreign currency transactions and balances

Transactions are recorded in the Company's financial statement in its functional currency, at the exchange rates in force on the transaction date. Gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those prevailing at the date of collection, payment or at the end of the reporting period are recorded as income and/or expenses, respectively, in the income statement in the same captions where the revenue and expenses associated with these transactions are reflected, except those related to non-monetary values whose change in fair value is recorded directly in equity.

Changes in the year

In order to improve the readability of the financial position and to highlight matters that are considered relevant, in accordance with IAS 1, the statement of financial position includes a new caption "Other financial liabilities" (Note 12), which only includes the Company's loan/cash pooling liabilities with Galp Group companies. For comparative purposes, these captions were reclassified from previous year caption "Other payables" (Note 15) to the new caption "Other financial liabilities" (Note 12).

Acquisition of own shares

Own equity instruments that are reacquired (own shares or treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

On 15 February 2023, Galp initiated a share repurchase program worth €500 million.

In 15 December 2023 Galp concluded this share repurchase program. Pursuant to the conclusion of the program, Galp's Board of Directors approved the reduction of the Company's share capital through the extinction of 42,028,823 own-shares, representative of approximately 5.16% of its initial share capital as at 1 January 2023. The average repurchase price was €11.90/share.

3. Impact of the adoption of new or amended international financial reporting standards

Standards and interpretations endorsed and published by the European Union

The IFRS standards endorsed and published on the Official Journal of the European Union (OJEU) during the year ended December 31, 2023 and enforceable for accounting purposes in subsequent years are presented in the table below:

IAS Standards	Date of publication in the OJEU	Date of accounting enforcement	Enforcement year	Observations
Amendments to IFRS 16 Leases: Lease liabilities in sale and leaseback transactions (issued on September 22, 2022)	21-11-2023	01-01-2024	2024	No material accounting impact.
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (issued on January 23, 2020); Classification of Liabilities as Current or Non-current—Deferral of Effective Date (issued on July 15, 2020); Non-current Liabilities with Covenants (issued on October 31, 2022)	20-12-2023	01-01-2024	2024	No foreseeable impact.

The IFRS standards endorsed and published in the Official Journal of the European Union (OJEU) applicable to the year 2023 are presented in the table below:

IAS Standards	Date of publication in the OJEU	Date of accounting enforcement	Enforcement year	Observations
Amendments to IAS 12 Income Taxes: International Tax Reform—Pillar Two Model Rules (issued on May 23, 2023)	09-11-2023	01-01-2023	2023	No foreseeable impact. *
Amendment to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9—Comparative Information (issued on December 9, 2021)	09-09-2022	01-01-2023	2023	Not applicable.
Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities associated to a single transaction (issued on May 7, 2021)	12-08-2022	01-01-2023	2023	No foreseeable impact.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (issued on February 12, 2021)	03-03-2022	01-01-2023	2023	No accounting impacts.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure of accounting estimates (issued on February 12, 2021)	03-03-2022	01-01-2023	2023	No accounting impacts.
IFRS 17 Insurance contracts (issued on May 18, 2017); including amendments to IFRS 17	23-11-2021	01-01-2023	2023	Not applicable.

* Not yet enacted into Portuguese tax law.

4. Tangible Assets

As at December 31, 2023 and December 31, 2022, Tangible assets were fully depreciated.

5. Intangible assets

As at December 31, 2023 and December 31, 2022, Intangible assets were fully depreciated.

6. Right-of-use of assets and lease liabilities

Accounting policy

Recognition

The Company recognizes both a right-of-use asset and a lease liability as at the lease commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to decommission and remove the underlying asset or restore the site on which it is located (if applicable), deducted from any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid up to the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Company's incremental borrowing rate. In general, the Company uses its incremental borrowing rate as the discount rate. The types of lease payments included in the measurement of the lease liability are as follow:

- fixed payments, deducted of any incentives received;
- variable lease payments, dependent on a certain rate or index;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the lessee is reasonably certain to be able to exercise; and
- payment of penalties for the early termination of a lease, unless the Company is reasonably certain not to terminate it early.

the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there are changes in future payments derived from a change in the rate or index or fee, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in a separate caption in the statement of financial position.

Short-term leases or leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for lease agreements that have lease terms of 12 months or less, and leases of low-value assets. The Company recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Amortization

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those used for the tangible assets.

Impairment

The right-of-use assets are periodically reduced by the amounts of impairment losses and adjusted to reflect certain remeasurements of the respective lease liabilities.

Accounting estimates and judgments

Useful lives, residual values of assets and discount rates

The calculation of the assets' residual values, the estimation of the useful lives, and the discount rates used are based on the assumptions of the lease agreements (or similar assets) and are set based on Management's judgment, as well as the practices of its peers in the industry.

Impairment of Right-of-use Assets

Identifying impairment indicators, estimating future cash flow and determining the fair value of assets requires Management to apply significant judgment in terms of the identification and evaluation of the different impairment indicators, the expected cash flow, the applicable discount rates, useful lives and residual amounts.

The details of right-of-use assets are as follows:

Unit: €k

	Vehicles	2023-12	2022-12
Cost	436	436	322
Accumulated amortization	(270)	(270)	(186)
Total	**165**	**165**	**137**
Opening balance	**137**	**137**	**149**
Increases	114	114	62
Depreciation/Amortization	(85)	(85)	(74)
Closing balance	**165**	**165**	**137**

Lease liabilities are as follows:

Unit: €k

	2023-12	2022-12
Less than one year	76	75
One to five years	99	69
Maturity analysis — contractual undiscounted cash flows	**175**	**144**
Current	73	72
Non-current	96	68
Lease liabilities in the Statement of financial position	**168**	**141**

The amounts recognized in the income statement are as follows:

Unit: €k

	Notes	2023-12	2022-12
Lease interest	24 and 26	4	5
Expenses related to short term, low value, and variable payments of operating leases	24	105	18
		109	**23**

The amounts recognized in the statement of cash flow are as follows:

Unit: €k

	2023-12	2022-12
Payments relating to leases	(86)	(74)
Payments relating to lease interests	(4)	(5)
Financing activities	**(90)**	**(79)**

7. Grants

Not applicable.

8. Goodwill

Not applicable.

9. Investments in subsidiaries, associates and joint ventures

Accounting policy

Investments in subsidiaries and associates are recorded at the acquisition cost net of impairment losses, when applicable.

Dividends received from subsidiaries and associates are recorded in the Income Statement, when assigned. Whenever the recoverable amount determined is less than the carrying amount of the shareholding, the Company records the respective impairment loss in the same caption.

Impairment

Every impairment loss is immediately recorded in the Statement of financial position as a deduction from the value of the asset and in the Income statement under Earnings from associates and joint ventures.

The recoverable value of financial investments is estimated based on the amount in use, which is determined by updating the estimated future cash flows of the respective cash-generating unit. The recoverable amount is estimated for the cash-generating unit to which it may belong, according to the discounted cash flow method. The discount rate used in updating the discounted cash flows reflects the cash-generating unit's specific risks.

Investments in subsidiaries, associates and joint ventures are as follows:

Company	Country	Percentage of interest held	
		2023-12	2022-12
Subsidiaries:			
Galp Energia, S.A.	Portugal	100%	100%
Galp Energia E&P, B.V.	The Netherlands	100%	100%
Galp New Energies, S.A.	Portugal	100%	100%
Petrogal, S.A.	Portugal	100%	100%

Unit: €k

	Financial investments				Gains/(losses) from financial investments	
	Acquisition cost	Impairment	Net amount	Dividends	Other	Total
Investments in subsidiaries	**5,870,011**	**0**	**5,870,011**	**468,420**	**0**	**468,420**
Galp Energia, S.A.	104,272	0	104,272	0	0	0
Galp Energia E&P, B.V.	1,278,722	0	1,278,722	355,338	0	355,338
Galp New Energies, S.A.	991,805	0	991,805	113,082	0	113,082
Petrogal, S.A.	3,495,213	0	3,495,213	0	0	0
Financial assets at fair value through other comprehensive income (Note 12)				**0**	**(200)**	**(200)**
	5,870,011	**0**	**5,870,011**	**468,420**	**(200)**	**468,220**

For comparative information, please refer to the financial statements for the year ended December 31, 2022.

During the year ended December 31, 2023, the following events occurred:

- During the year ended December 31, 2023, Petrogal, S.A. repaid additional capital contributions of €920,000 k.
- During the year ended December 31, 2023, the Company increased the share capital of its subsidiary Petrogal, S.A. by €2,250,000 k.
- During the year ended December 31, 2023, the Company paid additional capital contributions of €550,000 k to its subsidiary Galp New Energies, S.A..
- During the year ended December 31, 2023, the Company paid additional capital contributions of €50,000 k to its subsidiary Galp Energia, S.A..

As part of the Long-Term Incentive Plan (Notes 22 and 25), the Company has charged the following amounts against free reserves in the cost of acquisition of its subsidiaries:

	Unit: €k
Subsidiaries:	
Galp Energia, S.A.	11,117
Galp Energia E&P, B.V.	2,255
Galp New Energies, S.A.	41
Petrogal, S.A.	11,656
	25,069

During the year ended December 31, 2023, as result of the liquidation of ISPG – Instituto de Petróleo e Gás, the Company wrote off the shareholding, recording a loss of €200 k.

10. Inventories

Not applicable.

11. Trade receivables and other receivables

Accounting policy

Accounts receivable are initially recorded at the transaction value and subsequently measured at amortized cost, less any impairment losses, recognized as Impairment losses on accounts receivable. The amortized cost of these assets does not usually differ from their nominal value or their fair value.

Trade receivables and other receivables are derecognized when the contractual rights to the cash flow expire (i.e. they are collected), when they are transferred (e.g. sold) or when they are impaired.

Accounting estimates and judgments

Impairment of accounts receivable

The Company applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all accounts receivable. Accounts receivable were grouped by business segment for the purposes of the assessment of expected credit losses. The credit risk of the accounts receivable balance is evaluated at each reporting date, taking into consideration the customer's credit risk profile. The credit risk analysis is based on the annual default probability and takes into account the loss in the event of default. The default probability represents an annual probability of default, reflecting the current and projected information and considering macroeconomic factors, whereas the loss in the event of default represents the expected loss when a default occurs.

Accounts receivable are adjusted for management's estimate of the collection risks as at the statement of financial position date, which may differ from the actual impairment to be incurred.

Credit Risk

For Credit Risk purposes, if trade receivables and other receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, the credit risk assessment considers the credit quality of the customer, considering its financial position, experience and other factors. Individual risk limits are set based on internal or external ratings, in accordance with limits set by the Board. Customers' compliance with credit limits is regularly monitored by Management.

For further credit risk mitigation measures, guarantees and insurance policies for eventual credit defaults are a standard part of Company's overall risk policy.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Trade receivables

As at December 31, 2023 and December 31, 2022, Trade receivables are as follows:

Unit: €k

		Current	
	Notes	2023-12	2022-12
Trade receivables	28	787	3,718
Trade receivables		**787**	**3,718**
Not due		787	3,718
Aging of net receivables		**787**	**3,718**

As mentioned in the policies above, trade receivables are grouped into shared credit risk characteristics and days past due. For the Company the credit risk level of accounts receivable is as follows:

Type	Risk exposure
Not due	Low
Up to 180 days past due	Medium
181 to 365 days past due	High
More than 365 days past due	Very High

Other receivables

As at December 31, 2023 and December 31, 2022, Other receivables is detailed as follows:

Unit: €k

	Notes	2023-12		2022-12	
		Current	Non-current	Current	Non-current
State and other public entities		**0**	**0**	**362**	**0**
Other receivables/other debtors		**76**	**90**	**334**	**90**
Suppliers' debit balances		101	0	45	0
Advances to suppliers		1	0	1	0
Employees		(26)	0	114	0
Other		1	90	174	90
Related parties	**28**	**13**	**0**	**0**	**0**
Contract assets		**1,235**	**0**	**5,721**	**0**
Interest receivable		0	0	3,510	0
Other accrued income		1,235	0	2,211	0
Deferred expenses		**3,820**	**0**	**3,663**	**0**
Insurance paid in advance		140	0	674	0
Other deferred expenses		3,680	0	2,989	0
Other receivables		**5,144**	**90**	**10,080**	**90**

12. Other financial assets and liabilities

Other financial assets

As at December 31, 2023 and December 31, 2022, Other financial assets is detailed as follows:

Unit: €k

	Notes	2023-12		2022-12	
		Current	Non-current	Current	Non-current
Financial assets at fair value through other comprehensive income		0	150	0	350
Financial assets not measured at fair value – Loans	28	122,766	0	1,079,780	1,332,500
		122,766	**150**	**1,079,780**	**1,332,850**

In the caption of financial assets not measured at fair value is included cashpooling operations with other related entities, which bear interest at market rates.

Financial assets at fair value through other comprehensive income are as follows:

Financial assets at fair value through other comprehensive income	Country	Percentage of interest held	
		2023-12	2022-12
ISPG Portugal	Portugal	-	66.67%
Adene – Agência para a Energia, S.A.	Portugal	10.98%	10.98%
OEINERGE – Agência Municipal de Energia e Ambiente	Portugal	1.45%	1.45%
Galp Eswatini Limited	Eswatini	0.01%	0.01%
Omegas – Soc. D'etuded du Gazoduc Magrhed – Europe	Morocco	0%	0%

Unit: €k

	Financial investments		
	Acquisition cost	Impairment	Net amount
Galp Eswatini Limited	0	0	0
Adene – Agência para a Energia, S.A.	114	0	114
OEINERGE – Agência Municipal de Energia e Ambiente	1	0	1
Omegas – Soc. D'etuded du Gazoduc Magrhed – Europe	35	0	35
Financial assets at fair value through other comprehensive income	**150**	**0**	**150**

For comparative information, please refer to the financial statements for the year ended December 31, 2022.

During the year ended December 31, 2023, as result of the liquidation of ISPG – Instituto de Petróleo e Gás, the Company wrote off the shareholding, recording a loss of €200k (Note 9).

Other financial liabilities

As at December 31, 2023 and December 31, 2022, Other financial liabilities is detailed as follows:

Unit: €k

		Current	
	Notes	2023-12	2022-12
Financial liabilities not measured at fair value – Loans	28	1,669,714	893,389
		1,669,714	**893,389**

In the caption of financial liabilities not measured at fair value is included cashpooling operations with other related entities, which bear interest at market rates.

13. Cash and cash equivalents

Accounting policy

The amounts included in Cash and cash equivalents correspond to cash values, bank deposits, time deposits and other treasury applications with maturities of less than three months, and which can be immediately mobilized with a significant risk of change in value.

For the purposes of the statement of cash flows, Cash and cash equivalents also include bank overdrafts recorded as loans and overdrafts in the statement of financial position.

For the years ended December 31, 2023 and December 31, 2022, Cash and cash equivalents is detailed as follows:

Unit: €k

	Notes	2023-12	2022-12
Cash and cash equivalents		288,918	459,061
Bank overdrafts	14	(20,081)	0
		268,837	**459,061**

14. Financial debt

Accounting policy

Loans are recorded as liabilities at the nominal value received, net of the expenses incurred on the issuance of these loans. Loans are subsequently measured at amortized cost.

Financial charges are calculated using the effective interest rate method and recorded in the income statement on an accrual basis.

Financial charges include interest and, eventually, commission expenses incurred with loan structuring.

As at December 31, 2023 and December 31, 2022, Financial debt is detailed as follows:

Unit: €k

	Notes	2023-12		2022-12	
		Current	Non-current	Current	Non-current
Bank loans		**140,081**	**841,000**	**20,000**	**1,161,000**
Loans and commercial paper		120,000	841,000	20,000	1,161,000
Bank overdrafts	13	20,081	0	0	0
Bonds and notes		**288,376**	**1,577,067**	**747,400**	**1,719,302**
Origination fees		(2,122)	(2,933)	(2,600)	(4,453)
Bonds and notes		290,498	1,580,000	750,000	1,723,756
Financial debt		**428,457**	**2,418,067**	**767,400**	**2,880,302**

Changes in debt during the year ended December 31, 2023 were as follow:

Unit: €k

	Opening balance	Loans obtained	Principal repayment	Changes in overdrafts	Foreign exchange rate differences and others	Closing balance
Bank loans	**1,181,000**	**1,100,000**	**(1,320,000)**	**20,081**	**0**	**981,081**
Loans and commercial paper	1,181,000	1,100,000	(1,320,000)	0	0	961,000
Bank overdrafts	0	0	0	20,081	0	20,081
Bonds and notes	**2,466,702**	**150,000**	**(750,000)**	**0**	**(1,260)**	**1,865,442**
Origination fees	(7,053)	0	0	0	1,997	(5,056)
Bonds	1,473,756	150,000	(250,000)	0	(3,257)	1,370,498
Notes	1,000,000	0	(500,000)	0	0	500,000
Financial debt	**3,647,702**	**1,250,000**	**(2,070,000)**	**20,081**	**(1,260)**	**2,846,523**

The average cost of financial debt for the year under review, including charges on bank overdrafts, amounted to 3.53% (1.68% in 2022).

During the year ended December 31, 2023, the Company settled the following Bonds and Notes:

Unit: €k

Settlement	Amount due	Interest rate	Maturity	Repayment
GALP ENERGIA/2017-EMTN-EUR 500.000.000 FIXED RATE NOTES	500,000	Fixed	February 2023	February 2023
EUR 100,000,000.00 Floating Rate Notes due 2023	100,000	6M Euribor + spread	February 2023	February 2023
EUR 150,000,000.00 Floating Rate Notes due 2023	150,000	6M Euribor + spread	March 2023	March 2023
	750,000			

During the year ended December 31, 2023, the following Notes were issued:

Issuance	Amount due	Interest rate	Maturity
GALP ENERGIA 2023	150,000	6M Euribor + spread	March 2028
	150,000		

As at December 31, 2023, Current and non-current loans and bonds, excluding origination fees and bank overdrafts, have the following repayment plan:

Unit: €k

Maturity	Loans		
	Total	Current	Non-current
2024	410,498	410,498	0
2025	305,000	0	305,000
2026	747,500	0	747,500
2027	1,015,000	0	1,015,000
2028 onwards	353,500	0	353,500
	2,831,498	**410,498**	**2,421,000**

15. Trade payables and other payables

Accounting policy

Trade payables and other payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Usually, the amortized cost does not differ from the nominal value.

As at December 31, 2023 and December 31, 2022, Trade payables, current and non-current, are detailed as follows:

Unit: €k

	Notes	Current	
		2023-12	2022-12
Trade payables – current account		129	90
Trade payables – pending invoices		139	179
Trade payables – related parties	28	711	204
Trade payables		**980**	**472**

As at December 31, 2023 and December 31, 2022, Other payables, current and non-current, are detailed as follows:

Unit: €k

	Notes	2023-12		2022-12	
		Current	Non-current	Current	Non-current
State and other public entities		**368**	**0**	**754**	**0**
VAT payable		141	0	504	0
Other taxes		227	0	250	0
Other payables/other creditors		**64**	**0**	**161**	**0**
Trade receivables credit balances		0	0	2	0
Employees		76	0	168	0
Other		(12)	0	(9)	0
Accrued expenses		**40,669**	**1,433**	**34,425**	**2,106**
Supplies and external services		1,383	0	4,576	0
Remuneration payable		1,363	1,433	1,746	2,106
Interest payable		37,507	0	27,736	0
Other accrued expenses		416	0	367	0
Deferred income		**12**	**0**	**51**	**0**
Other deferred income		12	0	51	0
Other payables		**41,113**	**1,433**	**35,391**	**2,106**

16. Income tax

Accounting policy

Since 2001, the Company is subject to the special regime for the taxation of groups of companies ("RETGS"). The Company is subject to Corporate Income Tax ("IRC"). Income tax is calculated based on the taxable results of the Company in accordance with the applicable tax rules.

Deferred taxes are calculated based on the liability method and reflect the temporary differences between the amounts of assets and liabilities for accounting purposes and their amounts for tax purposes.

Deferred tax assets and liabilities are calculated and reviewed periodically using the tax rates expected to be in force when the temporary differences revert.

Accounting estimates and judgments

Deferred tax assets

Deferred tax assets are recognized only when there is reasonable assurance that future taxable profits will be available against which the temporary differences can be used, or when there are deferred tax liabilities for which reversal is expected within the same period as that in which the deferred tax assets are reversed. Temporary differences underlying deferred tax assets are reviewed at each reporting date in order to recognize deferred tax assets that were not recorded in prior years as they did not fulfil all requisites and/or to reduce the amounts of deferred tax assets recorded based on the current expectation of their future recovery.

Deferred taxes are recorded in the income statement, except if they result from items recorded directly in equity. In this case the deferred tax is also recorded in equity.

Estimates regarding uncertain tax positions

As part of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management exercises its judgment to assess the possible outcome of these disputes. The most-probable-outcome method is applied when making provisions for uncertain tax positions and Galp considers the booked provisions to be adequate. Nevertheless, the actual obligation may differ, and depends on the results of litigation and settlements with the relevant authorities.

Unit: €k

	Notes	Assets		Liabilities	
		2023-12	2022-12	2023-12	2022-12
		182,934	**344,227**	**136,240**	**331,376**
Group companies	**28**	**168,758**	**284,455**	**136,240**	**331,376**
Current income tax receivable / payable		168,758	284,455	136,240	331,376
State and other public entities		**14,176**	**59,771**	**0**	**0**
Current income tax receivable / payable		14,176	59,771	0	0

Income tax for the years ended December 31, 2023 and December 31, 2022, is detailed as follows:

Unit: €k

	2023-12			2022-12		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Income tax for the year	(8,072)	0	(8,072)	(2,825)	0	(2,825)
Insufficiency / (excess) of income tax estimated	(14)	0	(14)	603	0	603
Tax refund	(442)	0	(442)	0	0	0
Taxes for the year	**(8,528)**	**0**	**(8,528)**	**(2,223)**	**0**	**(2,223)**

The effective income tax rate reconciliation as at December 31, 2023 and December 31, 2022 is as follows:

Unit: €k

	2023	Fee	Income tax	2022	Fee	Income tax
Profit before tax:	**429,116**	**21.00%**	**90,114**	**1,006,185**	**21.00%**	**211,298**
Adjustments to taxable income:						
Dividends received		(22.92%)	(98,368)		(21.29%)	(214,245)
Insufficiency / (excess) of income tax estimated		(0.00%)	(14)		0.06%	603
Tax refunds from previous years		(0.10%)	(442)			
Autonomous taxation		0.01%	32		0.00%	85
Other increases and deductions		(0.01%)	(41)		0.00%	36
Effective income tax rate		**(1.99%)**	**(8,528)**		**(0.23%)**	**(2,223)**

During the year ended December 31, 2023, the balance of deferred tax assets remained unchanged at €181 k.

17. Retirement and other post-employment benefit liabilities

Not applicable.

18. Provisions

Not applicable.

19. Derivative financial instruments

Not applicable.

20. Financial assets and liabilities

Accounting policy

Galp classifies financial assets and liabilities into the following categories:

a) Financial assets at fair value through other comprehensive income;

b) Financial assets and liabilities carried at amortized cost;

c) Financial assets and liabilities at fair value through profit or loss (derivatives).

Management determines the classification of its financial investments on initial recognition and re-evaluates it at the end of each reporting period if and only if there is a change in the business model. For financial liabilities such changes in classification are not allowed.

Recognition and measurement

Purchases and sales of investments are recognized as at the transaction date. Investments are initially recognized at fair value. Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

Derecognition of investments

Financial assets are derecognized from the statement of financial position when the rights to receive cash flow from investments have expired or have been transferred and Galp has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist mainly of equity investments. When these kinds of financial assets are derecognized, the gain or loss will be kept in equity. Dividends received are recognized in profit or loss.

Financial assets and liabilities carried at amortized cost

Financial assets and liabilities carried at amortized cost are non-derivative financial assets which are held solely for payments of principal and interests (SPPI). If collection is expected within one year (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivable and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost using the effective rate method, less impairments.

Fair value hierarchy

In compliance with accounting standards an entity shall classify fair value measurements based on a fair value hierarchy that reflects the significance of the inputs used in the measurement. The fair value hierarchy follows the following levels:

- Level 1 – the fair value of the assets or liabilities is based on active liquid market quotation as at the date of the statement of financial position;
- Level 2 – the fair value of the assets or liabilities is determined through valuation models based on observable market inputs;
- Level 3 – the fair value of the assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

Financial assets at amortized cost include accounts receivable, other debtors and other receivables net of impairments.

Unit: €k

	Notes	2023-12	2022-12
Financial assets at fair value through other comprehensive income	12	150	350
Financial assets not measured at fair value	11 and 12	128,787	2,426,168
- less deferred costs, guarantees and tax receivable		(3,821)	(4,026)
Cash and cash equivalents	13	288,918	459,061
Financial assets by category		**414,034**	**2,881,553**

Financial liabilities are comprised of trade payables, other payables and other payables – related parties.

Unit: €k

	Notes	2023-12	2022-12
Financial liabilities not measured at fair value	6, 12, 14 and 15	4,559,931	4,579,308
- less deferred income, guarantees and tax payable		(380)	(804,552)
Financial liabilities by category		**4,559,551**	**3,774,756**

21. Financial risk management

The Company is exposed to several market risks inherent to its activities. Detailed information about these risks and impacts on Galp Group is explained in Note 21 of the Notes to the Company's consolidated financial statements.

22. Capital structure

Share capital

The share capital of Galp Energia is comprised of 773,082,725 shares, with a nominal value of €1 each and fully paid. Of these, 715,003,211 (92% of the share capital), are traded in the Euronext Lisbon stock exchange. The remaining 58,079,514 shares, representing c.8% of the share capital, are indirectly held by the Portuguese State through Parpública – Participações Públicas, SGPS, S.A.. (Parpública) and are not available for trade.

	No. of shares	Shareholding (%)	Attributable share (%)
Amorim Energia B.V.	276,472,161	35.76%	35.76%
Parpública – Participações Públicas, SGPS, S.A.	62,021,340	8.02%	8.02%
Free float	434,589,224	56.22%	56.22%
	773,082,725	**100%**	**100%**

Own shares

Own equity instruments that are reacquired (own shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Company's equity instruments. Any difference between the carrying amount and the consideration is recognized in reserves (i.e. equity).

During the year ended December 31, 2023, Galp carried out its share repurchase program in the amount of €500,000 k. The number of shares acquired was 42,028,823 shares at an average price of €11.90 per share. These shares were cancelled at December 31, 2023 (Note 2).

Dividends

In accordance with the resolution of the General Shareholders Meeting held on 3 May 2023, the shareholders of Galp Energia, SGPS, SA were assigned dividends in the amount of €425,062 k related to the distribution of net income for the year of 2022, corresponding to a dividend of €0.52 per share.

From that amount, €213,133 k was paid to shareholders as an advance on profits on 20 September 2022 and €208,819 k was settled on 23 May 2023.

Furthermore, on 16 August 2023, the Board of Directors of Galp Energia, SGPS, S.A. approved the payment of dividends, as an advance on profits, of €0.27. As a result of this approval, the company will settle the amount of €213,407 k on 25 August 2023.

Reserves

This caption can be detailed as follows for the years ended December 31, 2023 and December 31, 2022:

Unit: €k

	2023-12	2022-12
Legal reserves	163,022	165,850
Other reserves	25,069	27,977
Total	**188,092**	**193,828**

Legal reserves

In accordance with the Company's Articles of Association and the Portuguese Commercial Companies Code ("Código dos Sociedades Comerciais – CSC"), the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may, in certain circumstances, be used to increase capital or to absorb losses after all the other reserves have been considered.

Long-term incentive plan (LTI)

The amount of €25,069 k recorded in other reserves in 2023 relates to the amount of own shares allocated to the Long Term Incentive Plan (LTI) and recorded against Investments in subsidiaries (Notes 9 and 25).

23. Income and gains

Accounting policy

Revenue from sales is recognized in the income statement when the risks and benefits inherent to the ownership of the assets are transferred to the buyer and the amount of the corresponding income can be reasonably quantified. Sales are recognized net of taxes except for tax on oil products in the fuel distribution activity, discounts, and other costs inherent to their completion, at the fair value of the amount received or receivable. Costs and income are recorded in the year they occurred, regardless of the date of payment or receipt. Costs and income whose actual value is not known are estimated.

Other current assets and Other current liabilities include income and expenses related to the current period but for which the corresponding revenue and expenses will only occur in future periods. Those captions also include receipts and payments that have already occurred but will only correspond to income or expenses of future periods when they will be recognized in the income statement.

Exchange differences arising from Supplier and Customer balances are recognized in the operating results.

Income and gains for the years ended December 31, 2023 and December 31, 2022 were as follows:

Unit: €k

	Notes	2023-12	2022-12
Services rendered		**9,002**	**10,363**
Other operating income		**4,041**	**269**
Additional income		4,019	264
Other		22	5
Financial income	**26**	**112,659**	**58,209**
Earnings from associates and joint ventures	**9**	**468,220**	**1,020,187**
Total		**593,921**	**1,089,028**

24. Expenses and losses

The expenses and losses for the years ended December 31, 2023 and December 31, 2022 were as follow:

Unit: €k

	Notes	2023-12	2022-12
Supplies and external services		**5,631**	**4,776**
Travel and accommodation		331	448
Specialized services		3,911	3,226
Other costs		1,389	1,102
Employee costs	**25**	**6,267**	**8,293**
Amortization, depreciation and impairment losses on fixed assets and right-of-use	**6**	**85**	**74**
Other operating expenses		**804**	**1,221**
Other taxes		508	580
Other operating expenses		296	641
Financial expenses	**26**	**152,018**	**68,479**
Total		**164,805**	**82,843**

25. Employee costs

Accounting policy

Employee costs

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognized in the year in which the respective services are rendered by Company's employees.

For the years ended December 31, 2023 and December 31, 2022 the Company recorded the following amounts under Employee costs:

Unit: €k

	2023-12	2022-12
Remuneration – Corporate Bodies	4,170	5,136
Remuneration – Employees	756	1,147
Social charges – employees	97	124
Social charges – corporate bodies	880	1,110
Other insurances	169	173
Other expenses	196	603
Total	**6,267**	**8,293**

Remuneration – Corporate Bodies

The remuneration of the corporate bodies for the years ended December 31, 2023 and December 31, 2022 were as follow:

Unit: €k

	2023-12	2022-12
Remunerations	3,783	4,108
Premiums	231	723
Allowances	157	305
Other charges and adjustments	880	1,110
Total	**5,050**	**6,246**

The share-based employee compensation plans are the long-term incentive (LTI). Awards of shares of the Company under the LTI are granted upon certain conditions to eligible employees. The actual number of shares that may vest ranges from 0% to 160% of the awards, depending on the outcome of the prescribed performance conditions over a three-year period beginning on January 1 of the award year. The LTI plan comprises a 3 year rolling incentives plan, whereas in each year an incentives plan will be concluded and fulfilled by delivering Galp Energia SGPS, S.A. own stock. Since the share-based payment compensation plan is Group wide, regarding shares of Galp Energia SGPS, SA, it was decided that the Holding company would acquire its owns shares to deliver in kind for the employees of its subsidiaries. Therefore, and in substance, Galp Energia SGPS, SA, as holding company and main parent company recognizes the sum of the LTI plans of its subsidiaries in Equity against an increase in capital contribution (ie financial investment) to its immediate intermediate parent entities. The amount recognised in Equity was €25,069 k against financial investment at 31 December 2023. When the expense of the plans changes because of non-market conditions, an adjustment in Equity LTI reserve is made against financial investments. When the plans are fulfilled, by delivering its own shares to its direct subsidiaries (and subsequently to the employees) an Equity adjustment (LTI reserve and Own shares to retained earnings) is done within Equity, not impacting the results of the year (ie Profit or Loss). Other former LTI plans to employees that were paid in cash were cancelled.

LTI plans by triennium and cumulative amounts recognised in Equity against Investments in subsidiaries, associates and joint ventures as at:

Unit: €k

	2023
Total	**25,069**
Plan 1 (2021-2023)	7,812
Plan 2 (2022-2024)	12,830
Plan 3 (2023-2025)	4,427

26. Financial income and expenses

Accounting policy

Financial income and expenses include interest on external loans, loans from/to related parties, leasing and retirement and other post-employment benefit plans. Other financial income and expenses from other financial assets or liabilities are not included in this caption.

The financial charges on interest-bearing liabilities are recorded as financial expenses on an accrual's basis.

Financial charges arising from general and specific loans obtained to finance investments in fixed assets are assigned to assets under construction, in proportion to the total expenses incurred on those investments net of investment government grants, until the commencement of its operations. The remainder is recognized under the caption of financial expenses in the income statement for the year. Any interest income from loans directly related to the financing of fixed assets which are in the process of construction is deducted from the financial charges capitalized.

Financial charges included in fixed assets are depreciated in accordance with the useful life of the respective assets.

Unit: €k

	Notes	2023-12	2022-12
Financial income		**112,659**	**58,209**
Interest from bank deposits		10,423	379
Interest income and other income – Related companies	28	98,851	57,830
Net profit on exchange rate differences		3,232	0
Other financial income		153	0
Financial expenses		**(152,018)**	**(68,478)**
Interest from loans, bank overdrafts and others		(100,419)	(50,498)
Interest on lease liabilities		(4)	(5)
Net profit on exchange rate differences		0	(16,280)
Other interest and charges – Related companies	28	(42,608)	(1,696)
Other financial expenses		(8,987)	(0)
		(39,360)	**(10,269)**

27. Contingent assets and liabilities

Accounting policy

Contingent assets and contingent liabilities arise from unplanned or unexpected events that may cause economic inflows or outflows of the Company. The Company does not reflect these assets and liabilities on the financial statements as they may not become effective. Contingent assets and contingent liabilities are disclosed in the notes to the financial statements.

Contingent liabilities

As part of its ongoing business operations, the Company has entered into agreements where commitments have been given for commercial, regulatory, or other operational purposes.

As at December 31, 2023 and December 31, 2022, the liabilities for guarantees provided are as follow:

Unit: €k

	2023-12	2022-12
Venture Global, LLC	1,809,955	1,875,117
FPSO Charter Agreement	1,746,271	1,466,342
Rio Grande LNG, LLC Agreement	1,961,736	2,031,856
Coral South FLNG Project	445,435	471,689
Cercena Investments, S.L.U.	125,272	150,581
Grenergy	155,000	155,000
Direção Geral Impostos/Direção Geral do Tesouro (Government entities)	35,548	35,686
Oil Insurance Limited	-	16,595
Others related to core activities	3,862,650	2,591,584
	10,141,867	**8,794,451**

Under the contracts with Venture Global LLC and Rio Grande LNG LLC, related to the LNG Sales and Purchase Agreement, Galp provided a Parent Company Guarantee in the total amount of the contract €1,809,955 k (2022: €1,875,117 k) and €1,961,736 k (2022: €2,031,856 k) respectively.

Related to the six charter agreements for FPSOs, Galp provided a Parent Company Guarantee amounting to €1,746,271 k (2022: €1,466,342 k), in the name of Tupi, B.V., which represents Galp's proportion of the BM-S-11 consortium.

Under the financing of the Coral South FLNG project, Galp Energia SGPS S.A. is providing a Parent Company Guarantee related to the Debt Service Undertaking (DSU) agreement, on the total outstanding debt amount at any time in proportion to its participation. This guarantee expires at the time of the Actual Completion Date (estimated for the year 2024) if no obligations are outstanding under the DSU. As at December 31, 2023, Galp's stake in the obligation amounted to €400,891 k (2022: €424,520 k). Also, within the scope of this financing, Galp Energia SGPS S.A. provides a guarantee covering 1/9 of the DSU on behalf of ENH Empresa Nacional de Hidrocarbonetos (ENH), one of consortium members of the Coral South FLNG project, which corresponds to Galp's share of the consortium, excluding ENH. As at December 31, 2023, Galp's stake in the responsability taken on in relation to ENH amounted to €44,543 k (2022: €47,169 k).

the Group has entered into Power Purchase Agreement (PPA) with X-Elio (aka Cercena Investments) and Grenergy to supply solar energy for which it has provided Parent Company Guarantees amounting to €125,272 k and €155,000 k, respectively.

Other guarantees related to the main activities are mainly related to the oil marketing activity.

28. Transactions with related parties

Accounting policy

A related party is a person or entity that is related to the entity preparing its financial statement:

(a) a person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group (which means that each parent company, subsidiary and fellow subsidiary is related to the others); (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity, and the other entity is an associate of the third entity; (v) the entity is a post-employment defined benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent company of the entity).

As at December 31, 2023, the balances and transactions with related parties were as follows:

Receivables

Unit: €k

	Current				Total
	Trade receivables (Note 11)	Other receivables (Note 11)	Loans granted (Note 12)	Deferred taxes (Note 16)	
Group companies	779	1	122,766	168,758	292,304
Joint ventures and associates	8	11	0	0	19
Receivables:	**787**	**13**	**122,766**	**168,758**	**292,323**

For comparative information, please refer to the financial statements for the year ended December 31, 2022.

Payables

Unit: €k

	Current				Total
	Trade payables (Note 15)	Interest-bearing liabilities (Note 12)	Deferred taxes (Note 16)	Accruals and deferrals (Note 15)	
Group companies	711	133,376	136,240	1,161	271,488
Payables:	**711**	**133,376**	**136,240**	**1,161**	**271,488**

For comparative information, please refer to the financial statements for the year ended December 31, 2022.

Transactions

Unit: €k

	Financial expenses (Note 24)	Operating income (Note 23)	Financial expenses (Note 26)	Financial income (Note 26)
Group companies	(3,704)	9,482	(42,608)	98,851
Joint ventures and associates	(409)	70	0	0
Transactions:	**(4,113)**	**9,552**	**(42,608)**	**98,851**

For comparative information, please refer to the financial statements for the year ended December 31, 2022.

29. Information on environmental matters

Not applicable.

30. Subsequent events

On 12 February 2024, Galp announced a new share repurchase program of €350 m with the aim of reducing the issued share capital of Galp Energia SGPS, S.A.. The repurchase program is scheduled to take place in 2024.

Moreover, due to the approval of the new long-term incentive plan (LTI) which includes the delivery of own shares to senior managers, Galp will also proceed with a share repurchase for this purpose in an amount of up to 1% of the share capital.

31. Approval of the financial statements

The financial statements were approved by the Board of Directors on 5 April 2024, however they are still subject to approval by the General Shareholders Meeting under the commercial legislation in force in Portugal.

32. Explanation regarding translation

These financial statements are a translation of the financial statements originally issued in Portuguese in accordance with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform to the generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version shall prevail.

THE BOARD OF DIRECTORS:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-Chairman:

Filipe Silva

Members:

Maria João Carioca

Georgios Papadimitriou

Ronald Doesburg

Rodrigo Villanova

João Diogo Silva

Marta Amorim

Francisco Rêgo

Carlos Pinto

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Cristina Fonseca

Javier Cavada Camino

Cláudia Sequeira

Fedra Ribeiro

Ana Zambelli

The Certified Accountant:

Cátia Cardoso

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Índia, 10 – Piso 1
1349-066 Lisboa
Portugal

Tel: +351 217 912 000
www.ey.com

(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Galp Energia SGPS S.A. (the Entity), which comprise the Statement of Financial Position as at 31 December 2023 (showing a total of 6.471.146 thousands of euros and a total equity of 1.774.975 thousands of euros, including a net profit for the year of 437.644 thousands of euros), and the Income Statement and Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Galp Energia SGPS S.A. as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Recoverability of Investments in subsidiaries

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2023, Investments in subsidiaries recognized in the separate financial statements of Galp Energia, SGPS, S.A. amounts to 5.870.011 thousand of euros (Note 9). Investments in subsidiaries are recorded at the acquisition cost net of impairment losses, being the impairment risk evaluated at the balance sheet date, to detect the existence of indicators of possible impairment losses. If indicators have been identified, the carrying amount of the asset is tested using a discounted cash flow model. Inputs for the value in use calculation are based on past performance and on the expectation of economic and market developments for each of the investments, based on cash flow projections, discount rates and growth rates in the perpetuity. The risk of impairment of investments in subsidiaries was considered a Key Audit Mater due to the significance of the carrying amount in the total assets, as well as the inherent complexity and judgment of the model adopted for the impairment assessment.	Our audit procedures included: ▸ Assessing the existence of impairment indicators in the valuation of investments in subsidiaries, based on internal and external sources of information that could translate into potential negative impacts for the performance of each of the subsidiaries; ▸ Comparing the shareholders' equity of subsidiaries and the value in use calculated according to the valuation models prepared by management, with its carrying amount; ▸ Obtaining and analyzing, when applicable, the impairment tests prepared by management for to the most significant investments in subsidiaries, including its consistency with the business plans approved by the Board of Directors of Galp Energia SGPS, S.A.; ▸ Analyzing, with the support of our professionals with specialized knowledge in valuations, the assumptions and methodologies used by management, namely the model used for testing, the discount rates and the growth rates in perpetuity; ▸ We validated the **mathematical accuracy** of the models used; and ▸ **We evaluated the reasonability** of the amounts related to impairment losses recognized by the Entity in relation its investments in Subsidiaries. Additionally, we have verified the appropriateness of the applicable disclosures (IAS 27 and IAS 36), included in Notes 2 and 9 to the financial statements.

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation of financial statements that presents a true and fair view of the Entity´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- the preparation of the Integrated Management Report, the Corporate Governance Report and the remuneration report, in accordance with the applicable legal and regulatory requirements;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and

- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or which safeguards have been applied.

Our responsibility includes the verification of the consistency of the Integrated Management Report with the financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the remuneration report has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, taking into consideration our knowledge and the assessment over the Entity, we have not identified any material misstatement.

On the Corporate Governance Report

Pursuant to article 451, nr. 4, of the Commercial Companies Code, it is our understanding that the Corporate Governance Report, includes the information required to the Entity to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of the nº1 of the referred article.

On the Remuneration Report

Pursuant to article 26-G, nr. 6, of the Securities Code, we inform that the Entity has included in an autonomous chapter in its Corporate Governance Report the information provided for in nr. 2 of the referred article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of Galp Energia, SGPS, S.A. for the first time in the shareholders' general meeting held on 12 April 2019 for the mandate from 2019 to 2022. We were reappointed in the shareholders' general meeting held on 3 May 2023 for a second mandate from 2023 to 2026;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with the ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and shared with the supervisory body of the Entity on 5 April 2024; and
- We declare that we have not provided any prohibited services as described in article 5, of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit.

European Single Electronic Format (ESEF)

Galp Energia, SGPS, S.A. financial statements for the year ended 31 December 2023 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Building a better working world

Our procedures considered the Institute of Statutory Auditors' Technical Application Guide on ESEF reporting and included obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 5 April 2024

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Abel Serra Martins - ROC n.º 1119
Registered with the Portuguese Securities Market Commission under license nr. 20160731

DELIVERING



FOR LIFE

PART V
Appendices

galp

1. Non-financial consolidated information

Pursuant to Article 66.º-B and Article 508-G of the Portuguese Code of Commercial Companies (in accordance with the provisions of Directive 2014/95/EU of the European Parliament and the European Council, relating to the disclosure of non-financial and another information, transposed to Portuguese law through Decree-Law No. 89/2017 of 28 July) and the model for reporting non-financial information by issuers of securities admitted to trading on a regulated market presented by CMVM.

Part I – Information on adopted policies		
A. Introduction		
1	Description of the Company's general policy on matters of sustainability, indicating any changes as compared to those previously approved.	Galp believes in an integrated approach to creating sustainable value, through anticipating risks, maximising opportunities and creating solid relationships with stakeholders. The principles of sustainability and good practices in this regard are incorporated into Galp's strategy, culture and values. The work performed by Galp is guided by the high standards of safety and quality, and by the guarantee of the economic, environmental and social sustainability of the Company. Galp's performance is thus guided by a set of environmental, social and governance policies that promote the adoption of best practices in each matter and the creation of sustainable and long-term value. Galp has its own sustainability governance model and a Sustainability Committee, whose mission is to support the Board of Directors in integrating sustainability principles into the Galp Group management process, promoting industry best practices in all of its activities, with a view to creating long-term value. This is aligned with the most recently approved internal standard "Non-Financial Information (NFI) Reporting Governance Model", where the Sustainability Committee has the responsibility of a supervisory body, with all duties detailed in the Regulations of the Sustainability Committee. For more information, see Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 29 – Sustainability Committee) of this report.
2	Description of the methodology and reasons for its adoption in the reporting of non-financial information, as well as any changes that have occurred in relation to previous years and the reasons that motivated them.	Galp's non-financial information report is intended to provide a global, transparent, and rigorous view of the processes through which Galp creates environmental, social and economic value. The disclosure of non-financial information is in line with the applicable rules and globally recognised guidelines, namely: • rules pertaining to the reporting of non-financial information introduced by Decree-Law No. 89/2017 of 28 July (this appendix), with the upcoming implementation of the Corporate Sustainability Reporting Directive (CSRD) in 2024 • the Value Reporting Foundation (VRF) guidelines for integrated reporting • the Global Reporting Initiative (GRI) guidelines, GRI Standards version 2021, " in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023", following the new Oil & Gas sector supplement guidelines (GRI 11) relating to the sustainability report • the Sustainability Accounting Standards Board (SASB) for Oil and Gas (Exploration & Production, Midstream and Refining and Marketing Standards) • the recommendations from the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board (FSB) concerning disclosure of climate-related financial risks • the United Nations Global Compact (UNGC) principles on sustainability information • the World Economic Forum, Measuring Stakeholder Capitalism metrics and disclosures • the Sustainable Development Goals • the inclusion, materiality, responsiveness and impact principles in the AA1000 Accountability Principles Standard (AA1000AP 2018) regarding sustainability information • the Sustainable Finance Disclosure Regulation (SFDR) indicators, available at https://www.galp.com/corp/en/sustainability/reporting/documents Galp's material aspects are all those that can significantly interfere with the ability to generate value for the Company and its stakeholders. Its identification is a continuous, robust and mature process at Galp, which guides the Company in understanding the main challenges and opportunities it faces, ensuring strategic alignment and communication with the most important aspects. Galp's non-financial information is publicly presented, and subject to third-party verification, in the company's annual integrated report, on the Company's website and other relevant communication media. See our independent assurance report about sustainability information in section 7. Of Part V (Appendices) of this document. For more information on our materiality assessment please consult Part I of this document (2.3 Approach to ESG).

Part I – Information on adopted policies	
B. Business model	
3 General description of the business model and organisational structure of the Company/Group, indicating the main business areas and markets in which it operates	Galp has an organic structure based, at the operational level, on four business pillars: Upstream, Industrial and Midstream, Commercial, and Renewables, Innovation and New Businesses. Galp operates in the following markets: Portugal, Spain, Brazil, Mozambique, Angola, Namibia, Cape Verde, Guinea-Bissau, S. Tomé and Príncipe and Kingdom of Eswatini. For more information, see Part I – 3. Business Pillars and Part IV – Consolidated and individual financial statements – "Notes to the consolidated financial statements of 31 December 2023" of this report and the Galp website https://www.galp.com/corp/en/about-us/what-we-do and https://www.galp.com/corp/en/about-us/global-presence
C. Main risk factors	
1 Identification of the main risks associated with the matters subject to reporting and arising from the Company's activities, products, services or business relationships, including, if applicable and whenever possible, supply chains and subcontracting. 2 Indication of how these risks are identified and managed by the Company. 3 Explanation of the internal functional division of competencies, including corporate bodies, committees, commissions or departments responsible for risk identification and management/monitoring. 4 Express indication of the new risks identified by the Company compared to what was reported in previous years, as well as the risks that ceased to be. 5 Indication and brief description of the main opportunities that are identified by the Company in the context of the matters subject to reporting.	Information available for consultation in section 53 of Part III of this report – Corporate Governance Report – Identification and description of the major types of risks (economic, financial, and legal) to which the Company is exposed in the pursuit of its business activity and in Part I – 2.4 How we manage risk.
D. Implemented policies	
6 Description of the policies: i. environmental, ii. social and tax, iii. regarding workers and gender equality and non–discrimination, iv. regarding human rights and v. regarding combating corruption and bribery in the Company, including the policies of due diligence and the results of their application, including related key non-financial performance indicators, and comparison with the previous year.	Galp is committed to efficiently and transparently manage all matters related to risk management and impacts of its activities (whether environmental, social, tax or governance). In this regard, Galp has developed a set of Policies that govern its performance and that enable the sustainable management of the business and the establishment and fulfilment of challenging objectives and goals. Safety, Health and Environment Policy Through the Safety, Health and Environment Policy, Galp undertakes to integrate synergistically aspects related to safety, health and the environment in its strategy and to ensure the proper management of these topics, with the clear goal of acting responsibly, and thereby reducing possible negative impacts and maximising the positive effects of its activities. Specific Health, Safety and Environmental Requirements This Regulation defines the requirements in health, safety and environment (HSE) that must be met in decision-making, throughout the life cycle of the projects, in order to ensure the protection of people, the environment and the assets. The Regulation presupposes the HSE risk assessment and is aligned with Galp's Safety, Health and Environment Policy and its commitments. Climate Change Policy Galp considers it is essential to promote and contribute to meeting the energy needs of the future, in strict cooperation with the goals proposed to combat climate change. In this regard, and aware that this is truly a challenge for the future, Galp updates its Climate Change Policy in line with its commitment to follow good market practices and trends in this regard. Code of Ethics and Conduct Galp's Code of Ethics and Conduct is a guide for the Company's actions, its people and business partners, which outlines Galp's fundamental ethical guidelines regarding its actions and which establishes, for each of the principles outlined herein, commitments, responsibilities and good practices. In 2023, a revision of the Galp's Code of Ethics and Conduct was approved.

Human Rights Policy

Conscious that Human Rights are inherent to the human condition, Galp undertakes to support their defence and promotion, in all the geographical regions and contexts in which it operates.

Corporate Social Responsibility Policy

For Galp, corporate social responsibility is a fundamental dimension of management. This Policy, applicable to the various contexts and regions in which Galp operates, establishes goals and behaviours expected throughout the value chain and in its relationship with stakeholders.

Discrimination and harassment Prevention Policy

A common goal for all of Galp's employees involves providing a safe work environment, free from discrimination and harassment. This policy fosters such behaviour, by requiring employees to act according to ethical principles, display respectful and diversity-friendly behaviour, and actively detect and report all forms of harassment at Galp's organisation.

Tax Policy

Through its Tax Policy, Galp is committed to monitoring the evolution of best practices in tax matters, and this policy establishes Galp's recognition of the importance of adopting and implementing the best international practices in terms of tax transparency.

Community Investment Policy

As a reference company in the energy sector, present in various regions, Galp undertakes to be an essential partner in the community where it exercises its activity, with the goal of promoting its social and economic development, in line with its strategy.

2023 Equality Plan

Galp, in its 2023 Equality Plan, is dedicated to the goals, measures and practices implemented in 2022 and to implementing gender equality in 2023. This Plan is updated annually.

2024 Equality Plan

Galp, in its 2024 Equality Plan, is dedicated to the goals, measures and practices implemented in 2023 and to implementing gender equality in 2024. This Plan is updated annually.

Diversity Policy for the Board of Directors and Audit Board

Galp recognises, in its Diversity policy for the board of directors and audit board, the benefits of diversity within its management and audit bodies as a way of ensuring greater balance in its composition, improving the performance of its members, strengthening the quality of the processes of decision making and control, avoiding the effect of group thinking and contributing to the sustainable development of the Company.

Corruption Prevention Policy

In the Corruption Prevention Policy, Galp lists the guidelines for preventing the risk of corruption in the Group. The commitment assumed by Galp in this context also presupposes the monitoring and continuous improvement of good practices in this matter.

Prevention of Corruption Standard

Galp's Prevention of Corruption Standard establishes rules and procedures to prevent, detect and respond to the risk of corruption in the Galp Group, achieving and developing that established in the Code of Ethics and Conduct and the Corruption Prevention Policy, in line with Galp's values, the legal and regulatory obligations to which Galp and its employees are subject, the specific corruption risks Galp faces in furtherance of its activities in the various regions where it operates, and the expectations of its stakeholders.

		Policy for the Prevention of Money Laundering and Terrorist Financing Galp considers it is essential to prevent, detect and respond to the risks of exposure of money laundering and terrorist financing within the scope of its transactions with third parties. In this regard, a Policy for the Prevention of Money Laundering and Terrorist Financing was implemented, which lists Galp's commitments to combat the transformation of funds from criminal origin into legal resources through the financing mechanisms of a money laundering organisation. Prevention of Money Laundering and Terrorist Financing Standard Galp's Money Laundering and Terrorism Financing Prevention Standard establishes rules aimed at preventing, detecting and responding to the risks of exposure to money laundering and terrorist financing, achieving that established in the Code of Ethics and the Prevention of Money Laundering and Terrorist Financing. Amongst the various duties instituted by the Standard is the general duty of employees of the Galp Group or third parties acting on its behalf not to enter transactions with counterparties whose intention may be to conceal or disguise the illicit origin, source, location, or disposal or movement of capital, goods or products, in violation of applicable money laundering prevention laws.
		Sustainable Procurement Policy In our Sustainable Procurement Policy, we reinforced the 4 principles to be applied across our value chain: Respect for human rights and working conditions, Acting with transparency and integrity, Assume quality as a critical success factor and the Protection of the environment, people, and assets. Our suppliers' qualification, selection and contracting of is governed not only by compliance with commercial and technical terms & conditions, but also by Galp's Sustainable Procurement Policy compliance, the provisions of its Code of Ethics and Conduct and normative documents, that make it up, among other Galp's relevant policies, as well in acquiescence with the current legislation in the countries where it operates, with the purpose of creating shared value, in a sustained manner, progressively in accordance with the European legislation.
		Biodiversity Policy In our Biodiversity Policy, we establish strategic guidelines and ambitions in the dimension of biodiversity, including it as an integral part of business management and throughout the value chain associated with the Group's projects.. This document is focused on 3 main principles: Respect exclusion zones; Identify, assess, and manage existing and new operated sites; Promote collaboration and spread knowledge. Galp shares the vision of recognising the importance of taking long-term sustainable actions to conserve and protect biodiversity, aiming to contribute to biodiversity restore.
		Key Indicators and Results See the following sections of this report – Integrated Management Report: • Part I – 1.2. Value creation • Part I – 2.2. Creating sustainable value • Part I – 2.3. Approach to ESG • Part II – Sustainability journey
i. Environmental policies		
1	Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	Galp provides, in its strategic plan, a set of environmental and climatic strategic goals. See the following sections of this report – Integrated Management Report: • Part I – 2.2. Creating sustainable value • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 1. Our decarbonisation journey • Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy

Part I – Information on adopted policies		
2	Description of the main defined performance indicators.	See the following sections of this report – Integrated Management Report: • Part I – 2.2. Creating sustainable value • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 1. Our decarbonisation journey • Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Part V – Appendices – 2. Sustainability standards – GRI, SASB, WEF
3	Indication, compared to the previous year, of the degree of achievement of those goals.	See the following sections of this report – Integrated Management Report: • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 1. Our decarbonisation journey • Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy
ii. Social and tax policies		
1	Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	In its strategic plan, Galp provides a set of strategic social objectives, aimed at creating value and its distribution, directly and indirectly, by the Company. See the following sections of this report – Integrated Management Report: • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 3. People, Communities, Human Rights • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business See also: • Galp's Tax Policy
2	Description of the main defined performance indicators.	See the following sections of this report – Integrated Management Report: • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 3. People, Communities, Human Rights • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business See the following sections of Part V (Appendices) of this report- Integrated Management Report: 2. Sustainability standards – GRI, SASB, WEF; 3. Supplementary oil and gas information (unaudited) and 4. Report on payments to public administrations
3	Indication, compared to the previous year, of the degree of achievement of those goals	See the following sections of this report – Integrated Management Report: • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 3. People, Communities, Human Rights • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business

Part I – Information on adopted policies		
iii. Employees and gender equality and non-discrimination		
1	Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	Galp positions itself as a competitive and fair employer, its values guided by principles of diversity, equal opportunity and training. See the following sections of this report – Integrated Management Report: • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 3. People, Communities, Human Rights • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business
2	Description of the main defined performance indicators.	See the following sections of this report – Integrated Management Report: • Part I – 2.3. Approach to ESG • Part II – Sustainability Journey – 3. People, Communities, Human Rights • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business • Part V – Appendices – 2. Sustainability standards – GRI, SASB, WEF For more information, see Part III – Corporate Governance Report of this report and the Remuneration Policy.
3	Indication, compared to the previous year, of the degree of achievement of those goals	See the following sections of this report – Integrated Management Report: Part I – 2.3. Approach to ESG Part II – Sustainability Journey – 3. People, Communities, Human Rights Part II – Sustainability Journey – 4. Protect and empower our people Part II – Sustainability Journey – 5. Promote a value-adding, conscious business See in Galp website, the 2024 Equality Plan document, which includes the measures implemented in 2023. For more information, see Part III – Corporate Governance Report of this report and the Remuneration Policy.
iv. Human rights		
1	Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	Galp's commitments are established in the Human Rights Policy, which is aligned with Internationally recognised Human Rights standards, namely the 10 principles of the United Nations Global Compact, the Universal Declaration of Human Rights of the United Nations, as well as the Code of Conduct of the International Labour Organisation (ILO) and with regard to the Rights of Indigenous Peoples (ILO 169 and IFC PS7). Additionally, Galp is a signatory of the CEO Guide on Human Rights of BCSD Portugal. See the following sections of Part II – Sustainability Journey of this report – Integrated Management Report: • 3. People, Communities, Human Rights • 5. Promote a value-adding, conscious business
2	Description of the main defined performance indicators.	See the following sections of Part II – Sustainability Journey of this report – Integrated Management Report: • 3. People, Communities, Human Rights • 5. Promote a value-adding, conscious business

Part I – Information on adopted policies		
3	Indication, compared to the previous year, of the degree of achievement of those goals	See the following sections of Part II – Sustainability Journey of this report – Integrated Management Report: • 3. People, Communities, Human Rights • 5. Promote a value-adding, conscious business For more information about the human rights assessments report, please consult the Operational Human Rights Assessment – 2023 Update available on the Galp website (link here).
v. Fighting corruption and bribery attempts		
1	Prevention of corruption: measures and instruments adopted to prevent corruption and bribery; policies implemented to dissuade these practices together with workers and suppliers; information about the compliance system indicating the respective responsible officials, if any; indication of legal proceedings involving the Company, its administrators or employees related to corruption or bribes; measures adopted at the public procurement site, if relevant.	As part of the assessment process of any new potential investment in a different region, Galp assesses the risks of corruption associated with the socio-economic context of the region in question. Galp also performs due diligence procedures regarding its business and social partners, service providers and the most relevant suppliers before entering into transactions with them, to ensure that such entities also follow appropriate and effective policies and procedures related to the prevention of corruption and bribery. In 2023, 4766 counterparties were assessed through the Company integrity process. In 20 cases, significant risks were identified and, therefore, the interactions with the counterparties in question have been interrupted. 1006 assessments were also conducted prior to making and/or receiving offers involving Galp employees through Galp's electronic offer registration platform.
2	Prevention of money laundering (for issuers subject to this regime): information about measures to prevent and combat money laundering.	In 2020, Galp's Money Laundering and Terrorist Financing Prevention Standard was published, which establishes rules and procedures aimed at preventing, detecting and responding to the risks of exposure to money laundering and terrorist financing. Amongst the various duties established in the Standard, is the duty of Galp Group employees or third parties acting on their behalf not to enter into transactions with counterparties whose intention may be to conceal or disguise the illicit origin, source, location, or disposal or movement of capital, goods or products, in violation of the applicable money laundering prevention laws. Certain GALP activities are specifically covered by applicable legislation (namely real estate transactions and cash payments) and procedures implemented to deal with risks of money laundering prevention in this particular area.
3	Codes of Ethics: indication of any code of ethics to which the Company has adhered or implemented; indication of the respective mechanisms for implementation and compliance monitoring of the same, if applicable.	Code of Ethics and Conduct Galp's Code of Ethics and Conduct is a guide for the actions of the Company, its people and business partners, which outlines the fundamental ethical guidelines of Galp's actions and that establishes, for each of the principles listed therein, commitments, responsibilities and good practices. In 2023, a revision of the Galp's Code of Ethics and Conduct was approved. Whistleblowing – Ethics Line Standard Through the ethics line OpenTalk, Galp promotes the reporting, on a confidential basis, of any knowledge or substantiated suspicion of the occurrence of irregularities or circumstances of non-compliance in relation to the Code of Ethics and Conduct or other Galp Policies and Regulations. Ethics and Conduct Committee Galp's Ethics and Conduct Committee, an in-company and independent body that reports to the Audit Board, is responsible for monitoring the implementation of the aspects set out in the Code of Ethics and Conduct, for clarifying doubts about its application and for processing the information transmitted through the Ethics Line. For more information, see Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 29 – Ethics and Conduct Committee) of this report. Regulations of the Ethics and Conduct Committee This Regulation establishes the competencies, duties, and rules of operation of the Galp Ethics and Conduct Committee. For more information, see Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 29 – Ethics and Conduct Committee) of this report. Conflict of Interest Management Standard The Conflict of Interest Management Standard describes the set of in-company control rules and procedures adopted by Galp in order to prevent conflicts of interest.

Part I – Information on adopted policies		
4	Conflict of Interest Management: measures for managing and monitoring conflicts of interest, namely the requirement to subscribe to statements of interest, incompatibilities and impediments by managers and employees.	Whistleblowing – Ethics Line Standard If employees are in a situation where their personal interests conflict, or may conflict, with their professional duties at Galp, they must report such a situation through Galp's electronic conflict of interest registry. If employees are aware of a conflict of interest that is a risk to Galp and they have substantiated suspicions that have not been reported to the Ethics and Consultation Committee, the employees must report the information through the ethics line OpenTalk.

EU Taxonomy

Context

The Taxonomy Regulation stands as a key component of the EU sustainable finance initiative, establishing a systematic classification for identifying and categorising activities that support environmental goals while minimising adverse impacts, including social effects.

In 2023, the Environmental Delegated Act was adopted, encompassing the remaining four environmental objectives. These include sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. This delegated act complements the Climate Delegated Act, which was already adopted in 2021, specifically addressing the objectives of mitigating and adapting to climate change. These documents establish criteria for evaluating whether an activity significantly contributes to a given environmental objective without causing harm to other objectives.

This year, the European Commission also released and approved revisions to the Climate Delegated Act. These modifications involved correcting certain criteria and introducing additional criteria for new activities. These changes also applied to the Disclosures Act, a document outlining guidelines for calculating and presenting information related to Turnover, CapEx, and OpEx.

The 2023 report of Galp's EU Taxonomy alignment has been conducted considering the Taxonomy Regulation (EU) 2020/852, the Climate and Environmental Delegated Acts and their annexes, the Complementary Climate Delegated Act, the Disclosures Delegated Act, the Delegated Regulation amending the Climate Delegated Act, as well as Galp's current interpretation about EU Taxonomy regulation.

Additionally, other published documents such as the FAQs and the Commission Notices on the "FAQs repository" available on the EU Taxonomy Navigator were also considered.

Eligibility Assessment

Similar to the approach used in the prior year, the eligibility assessment method involved a thorough examination of Galp's business operations. This analysis was conducted following the Climate and the Environmental Delegated Acts of the EU Taxonomy, which cover the six environmental objectives regarding climate change mitigation and adaptation, water, circular economy, pollution prevention and control, and biodiversity.

The identified eligible activities are the following, divided by environmental objective with the respective EU Taxonomy code:

Climate Change Mitigation

- 3.10. Manufacture of hydrogen
- 4.1. Electricity generation using solar photovoltaic technology
- 4.3. Electricity generation from wind power
- 4.10. Storage of electricity
- 4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.6. Installation, maintenance and repair of renewable energy technologies
- 9.3. Professional services related to energy performance of buildings

Transition to a Circular Economy

5.1. Repair, refurbishment and remanufacturing

Alignment Assessment

The alignment assessment of the activities identified as 'eligible' begins with verifying compliance with the criteria for making a substantial contribution to one of the six environmental objectives.

Although, most of our eligible activities are applicable for both the climate change mitigation and climate change adaptation environmental objectives, we consider that we contributed more significantly to the mitigation of climate change, in line with Galp's ambition to achieve net zero emissions.

Apart from the substantial contribution criteria, the EU Taxonomy regulation includes the principle of Do No Significant Harm (DNSH). The compliance with DNSH criteria involved a comprehensive assessment of activities against established criteria that need to be met to avoid significant harm to any of the relevant environmental objectives.

Below we summarise, the main Galp's initiatives and commitments that contribute to the fulfilment of the DNSH criteria:

- Adaptation to climate change – Galp has taken significant steps to enhance the identification and quantification of its climate-related risks and opportunities, aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The aim of this assessment is to evaluate the Company's strategy's resilience to different climate scenarios and integrate relevant associated risks into the risk management framework. These climate-related risks will be monitored, and appropriate mitigation and adaptation measures will be defined and implemented. Galp has been adopting procedures and tools to enhance climate-related risk assessments, thereby contributing to support internal investments and other management decisions.

- Sustainable use and protection of water and marine resources – Galp is consistently engaged in evaluating and overseeing the environmental effects of our projects in regions where we operate, whether on a global or national scale. In our annual nature risk screening, we map and assess water risks in our operated assets. In addition to our ongoing investments and implementation of best practices, we are currently consolidating the analysis of material positive and negative effects of Galp's activities in water resources, through the TNFD case study project. Also as part of the enterprise risk management project, Galp identifies, assesses and manages the risks and opportunities inherent to its strategy, including water and biodiversity related risks.

- Transition to a circular economy – Galp is focused on making materials last longer, by using resources responsibly and incorporating circular principles from design to disposal. We strive to collaborate with partners to share experiences and best practices and create opportunities aligned with this objective. Additionally, we strategically reconsider the traditional business model through a circular lens, by exploring solutions through Innovation initiatives. In Sines refinery, Galp is producing a biodiesel made from the processing of animal fats and used cooking oils and in the renewables business, we are looking to opportunities to give a second life to our equipment. The joint venture between Galp and Northvolt is already planning the creation of a network of offtakers for the by-products of lithium conversion, hence promoting a circular economy and ensuring that the impact from this activity is mitigated.

- Pollution prevention and control – Regarding the use and presence of chemicals, Galp respect all applicable norms and regulations and follow all guidelines to limit impact of its activities.

- Protection and restoration of biodiversity and ecosystems – Galp aims to safeguard biodiversity in the regions where it operates and guarantee the conservation of natural areas and species throughout projects lifecycle. We continue to pursue biodiversity protection within our existing operations and going beyond the "no-harm" principle by fostering a positive impact in new projects located in protected areas. Galp performs an annual nature risk screening, covering 100% of our operated sites. In 2023, we have started to incorporate the identification of nature-related material dependencies and impacts associated to our main current business activities. We intersect our operated sites locations with biodiversity relevant areas, up to a 50 km radius, using IBAT (Integrated Biodiversity Assessment Tool). Adding to this Galp carries out environmental impact assessments, and the required mitigation and compensation measures for protecting the environment are implemented, when applicable.

Finally, ensuring compliance with the minimum safeguards is imperative for economic activities to qualify as Taxonomy-aligned. Galp complies with the minimum safeguards as set out by EU Taxonomy, by Article 18 of the regulation. The evaluation of these minimum safeguards involves referencing various standards, including:

- The OECD Guidelines for Multinational Enterprises

- The UN Guiding Principles on Business and Human Right, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work

- The International Bill of Human Rights

Encompassing various topics, our Code of Ethics and Conduct serves as a guiding framework for the personal and professional conduct of all individuals within the Group. It applies to individuals across all roles and functions, governing interactions with employees, shareholders, investors, customers, suppliers, and representatives of communities engaged with Galp. Open communication regarding questions, concerns, or potential breaches of our code, such as harassment, discrimination, fraud, or corruption, is encouraged. Individuals can choose to report anonymously through our whistleblowing channel. Reports received are handled by an independent third-party ethics line provider on behalf of Galp, and they are subsequently shared with Galp's Ethics and Conduct Committee to ensure professional and confidential resolution.

- Anti-corruption: Bribery or corruption has no place at Galp, and we actively advocate for the efficacy of reporting mechanisms. We establish and implement processes and procedures to evaluate and minimise the risk of corruption while encouraging stakeholders to adopt measures to prevent corruption. Further insights into our stance can be explored in our Corruption Prevention Policy.

- Taxation: We meticulously consider taxation due to its vital significance in Galp, evident in our Tax Policy. Ensuring strict compliance with tax obligations and disclosure standards in all operating jurisdictions is a priority. We actively assess, monitor, and control our exposure to tax-related risks. Galp maintains diligent oversight of its tax practices, striving to mitigate potential financial and reputational risks in tax decision-making. Regarding intra-group relationships, Galp adheres to best market practices, aligning with principles outlined by the OECD in this context.

- Fair competition: Engaging in activities that compromise free and fair competition can have detrimental effects on the market, our customers, and our reputation. We strictly refrain from any practices that are anti-competitive, illegal, or inconsistent with our Code of Ethics and Conduct. Our commitment extends to avoiding involvement in any fraudulent schemes, whether related to monetary transactions, assets, or the falsification of documents or information. Our business practices do not include adopting commercial strategies aimed at excluding, hindering, or obstructing competition in the normal conduct of its activities. We disapprove of any actions implying direct or indirect agreements on sale prices or resale pricing arrangements. We adhere to market conditions applicable during the negotiation of contracts and partnerships, pledging to use Galp's market position faithfully and honestly in such dealings. Our actions strictly adhere to legal standards, promoting the trade of services and products solely based on their quality excellence and associated commercial terms.

- Human rights: As an integrated energy operator, Galp is committed to upholding and advancing human rights, considering them intrinsic to the human condition. In our Human Rights Policy, which generally aligns with internationally recognised standards, such has the Human Rights principles of the UNGC, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines on Responsible Business Conduct as well as the Principles of the International Labour Organisation (ILO) and the respect for the fundamental rights and freedoms of indigenous communities (ILO 169 and IFC PS7), we establish our commitment to respect Human Rights within our stakeholders – employees, communities, suppliers, partners and customers – defining measures to prevent our operations and value chain from causing, directly or indirectly, any abuses or violations of Human Rights. In 2023, we designed the fundamental principles of a newly created Human Rights Due Diligence programme within the Company. Although Galp has in place risk-based mechanisms concerning the respect for human rights throughout multiple policies and management systems, it decided to bolster its Human Rights commitments with a specialised, central and updated project to adequately embed human rights due diligence in its relevant operations in light of the UNGPs and the OECD Guidelines. To ensure the effectiveness of its due diligence process, Galp has put together an internal team and enlisted a Human Rights Specialist for specialized guidance aligned with the objectives set out in the Sustainability Roadmap.

KPIs Disclosures

In the following templates, Galp reports the proportion of turnover, Capex and Opex taxonomy – eligible and aligned – disclosure covering year 2023.

Proportion of Turnover / Total Turnover		
Environmental objective	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
CCM	1.1%	1.1%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of CapEx / Total CapEx		
Environmental objective	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
CCM	18.2%	18.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.3%	0.3%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of OpEx / Total OpEx		
Environmental objective	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
CCM	1.9%	1.9%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Turnover

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Turnover	Proportion of turnover 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year 2022	Category enabling activity	Category transitional activity
		€M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of hydrogen	CCM 3.10.	-	-%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
Electricity generation using solar photovoltaic technology	CCM 4.1.	185.59	0.88%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.3%		
Electricity generation from wind power	CCM 4.3.	2.44	0.01%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	0.69	0.01%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	-	-%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	3.78	0.02%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6.	-	-%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Professional services related to energy performance of buildings	CCM 9.3.	31.88	0.15%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%	E	
Repair, refurbishment, and remanufacturing	CE 5.1.	-	-%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
Turnover of A.1.		**224.37**	**1.1%**	**1.1%**	**-%**	**-%**	**-%**	**-%**	**-%**	Y	Y	Y	Y	Y	Y	Y	**0.5%**		
Of which enabling			**0.17%**	**0.17%**	**-%**	**-%**	**-%**	**-%**	**-%**	Y	Y	Y	Y	Y	Y	Y		**E**	
Of which transitional			**-%**	**-%**															**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Storage of electricity	CCM 4.10.	-	-%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-%		
Turnover of A.2.		**-**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**								**-%**		
A. Turnover of A.1. + A.2.		**224.37**	**1.1%**	**1.1%**	**-%**	**-%**	**-%**	**-%**	**-%**								**0.5%**		
B. Taxonomy non-eligible activities																			
Turnover of B.		**20,895**	**98.9%**																
Total (A+B)		**21,119**	**100%**																

CapEx

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	CapEx	Proportion of CapEx 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category enabling activity	Category transitional activity
		€M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of hydrogen	CCM 3.10.	24.30	2.26%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%		
Electricity generation using solar photovoltaic technology	CCM 4.1.	131.89	12.26	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	31.0%		
Electricity generation from wind power	CCM 4.3.	-	-%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	25.59	2.38%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.8%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	-	-%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	9.69	0.90%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.8%	E	
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6.	0.90	0.08%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.3%	E	
Professional services related to energy performance of buildings	CCM 9.3.	2.97	0.28%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%	E	
Repair, refurbishment, and remanufacturing	CE 5.1.	3.74	0.35%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
CapEx of A.1.		**199.09**	**18.5%**	**18.2%**	**-%**	**-%**	**-%**	**0.3%**	**-%**	Y	Y	Y	Y	Y	Y	Y	**33.5%**		
Of which enabling			**1.26%**	**1.26%**	**-%**	**-%**	**-%**	**-%**	**-%**	Y	Y	Y	Y	Y	Y	Y		**E**	
Of which transitional			**-%**	**-%**															**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Storage of electricity	CCM 4.10.	**1.63**	**0.15%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-%		
CapEx of A.2.		**1.63**	**0.15%**	**0.15%**	**-%**	**-%**	**-%**	**-%**	**-%**								-%		
A. CapEx of A.1. + A.2.		**200.71**	**18.7%**	**18.4%**	**-%**	**-%**	**-%**	**0.3%**	**-%**								**33.5%**		
B. Taxonomy non-eligible activities																			
CapEx of B.		**875**	**81.3%**																
Total (A+B)		**1,076**	**100%**																

OpEx

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	OpEx	Proportion of CapEx 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022	Category enabling activity	Category transitional activity
		€M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of hydrogen	CCM 3.10.	-	-%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
Electricity generation using solar photovoltaic technology	CCM 4.1.	4.60	1.16%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%		
Electricity generation from wind power	CCM 4.3.	0.04	0.01%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	1.00	0.25%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	0.42	0.11%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0.99	0.25%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6.	0.00	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Professional services related to energy performance of buildings	CCM 9.3.	0.56	0.14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-%	E	
Repair, refurbishment, and remanufacturing	CE 5.1.	-	-%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	-%		
OpEx of A.1.		**7.62**	**1.9%**	**1.9%**	**-%**	**-%**	**-%**	**-%**	**-%**	Y	Y	Y	Y	Y	Y	Y	**0.5%**		
Of which enabling			**0.39%**	**0.39%**	**-%**	**-%**	**-%**	**-%**	**-%**	Y	Y	Y	Y	Y	Y	Y		**E**	
Of which transitional			**-%**	**-%**															**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Storage of electricity	CCM 4.10.	-	-%	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**								-%		
OpEx of A.2.		**-**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**								-%		
A. OpEx of A.1. + A.2.		**7.62**	**1.9%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**								**0.5%**		
B. Taxonomy non-eligible activities																			
OpEx of B.		**388.1**	**98.1%**																
Total (A+B)		**395.7**	**100%**																

Turnover

The Taxonomy-eligible turnover relates to generation of renewable photovoltaic and wind energy,, electric mobility, biofuels and services related to energy performance.

This KPI is calculated considering the net turnover derived from products and services associated with Taxonomy-eligible and aligned economic activities (numerator) divided by the net turnover (denominator), for the financial year from 1 January 2023 until 31 December 2023. The denominator is based on our consolidated net turnover, which include the total of sales, services rendered and other operating income, presented with further detail in Note 24 of the consolidated financial statements.

Capex

The Taxonomy-eligible Capex consists of investments related to generation of renewable photovoltaic, storage of electricity, biofuels, hydrogen, renewable energy technologies, energy performance , electric mobility and requalification of LPG bottles and tanks.

This KPI is calculated considering the Capex derived from products and services associated with Taxonomy-eligible and aligned economic activities (numerator) divided by the total Capex (denominator), for the financial year from 1 January 2023 until 31 December 2023. The denominator covers additions to tangible and intangible assets during 2023, as presented in Consolidated Statement of Cash Flows.

Opex

The Taxonomy-eligible Opex refers to generation of renewable photovoltaic and wind energy, renewable energy technologies, energy performance, renting of vehicles, electric mobility and biofuels.

This KPI is calculated considering the Opex derived from products and services associated with Taxonomy-eligible and aligned economic activities (numerator) divided by the total Opex (denominator), for the financial year from 1 January 2023 until 31 December 2023. The denominator covers direct non-capitalised costs that relate to short-term lease and maintenance and repair.

Voluntary Disclosures

The concept of low carbon investment at Galp extends beyond what is encompassed by the EU Taxonomy Regulation. In addition to eligible activities, Galp considers it relevant to report the investment in other activities that may also contribute significantly to mitigate climate change such as the investments in the battery value chain and industrial energy efficiency projects in the Refinery. For more information, see Part II – Sustainability Journey – 5. Promote a value-adding, conscious business.

2. Sustainability Standards – GRI, SASB, WEF

GRI Context Index 2023

Statement of use	Galp has reported the information cited in this GRI Content Index for the period of January 1st 2023 to December 31st 2023 with reference to the GRI Standards.
GRI used	GRI 11: Oil and Gas Sector Standard

- IR 2023: Integrated Management Report 2023

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
	GRI 2: General Disclosures 2021					
2-1	Organisational details	Galp Energia, SGPS, S.A. Avenida da Índia, 8, 1349-065 Lisboa, Portugal • IR 2023: Part I – About the report, 1.1 Galp's presence, 1.3 Galp in the capital markets	-	✓	-	-
2-2	Entities included in the organisation's sustainability reporting	• IR 2023: Part I – About the report	-	✓	-	-
2-3	Reporting period, frequency and contact point	Galp publishes its integrated report yearly. This reporting period refers to January 1st 2023, to December 31st 2023. The publication is dated 8 April 2024. Information requests regarding sustainability should be sent to: sustainability@galp.com	-	✓	-	-
2-4	Restatements of information	Any changes in relation to the previous year and related to acquisitions, business nature or methods of indicators calculation are stated throughout the IR 2023 when applicable.	-	✓	-	-
2-5	External assurance	Independent assurance, according to the International Standard for Assurance Engagements (ISAE) 3000, was conducted by PwC Portugal (PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas). • IR 2023: Part V – 7. Independent report about sustainability information	-	✓	-	-
2-6	Activities, value chain and other business relationships	• IR 2023: Part I – 1.1 Galp's presence, 1.2 Value creation; 1.3 Galp in the capital markets; 3.2 Upstream; 3.3 Industrial and Midstream; 3.4 Commercial; 3.5 Renewables, Innovation & New Businesses • IR 2023: Part II – Sustainability Journey	-	✓	-	-
2-7	Employees	No. of Employees: Total 7,054, Male 3,859, Female 3,195. No. of Employees by region: Portugal 3,843, Spain 2,591, Brazil 115, Africa 496, Rest of the world 9.	-	✓	6	8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		No. of Employees by contract type: Open-ended (Total 6,461, Male 3,565, Female 2,896), Fixed-term (Total 477, Male 230, Female 247), Uncertain Term (Total 91, Male 49, Female 42), Part-time (Total 25, Male 15, Female 10). No. of Employees by working hours: Full-time (Total 6,879, Male 3,816, Female 3,063), Part-time (Total 175, Male 43, Female 132). Non-guaranteed hours employees: non-applicable Additional disclosures can be found in: • IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights (Promote Diversity) • HR Annex in this section • Galp website – Sustainability – Promote Diversity				
2-8	Workers who are not employees	There are indirect workers (service providers/contractors) in several Galp facilities, in different business segments. The nature and scale of the work carried out by external workers depend on the projects to be executed each year in the different business segments. In 2023, the number of workers who are not employees was 11,073 materialised in the Commercial, Industrial & Midstream, Renewables, Innovation and New Businesses and Corporate businesses, in Portugal, Spain and Brazil. The increase in value vs last year was mainly influenced by the turnaround in the Sines Refinery, involving a high number of service providers.	-	✓	-	-

Service providers by type of work performed	**11,073**
Administrative	144
Consultancy	335
Project management	598
Cleaning	842
Logistics	688
Medical services	94
Catering	104
IT technical services	395
Safety / Surveillance	218
Construction	4,455
Inspection / Operation	470
Technical assistance / Maintenance	2,730

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
2-9	Governance structure and composition	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 21) • CDP Climate Change 2023: C1. Governance; C1.1, C1.1a	-	✓	-	-
2-10	Nomination and selection of the highest governance body	The Annual General Meeting is responsible for appointing and replacing members of the Board of Directors, including the Chairman. In the event of the absence or permanent impediment of any member of the Board of Directors, this body shall co-opt a member and submit its proposal for ratification to the next Annual General Meeting. For the purpose of replacing a director due to permanent absence, in accordance with Article 393 (1) of the CCC (Commercial Companies Code). The Articles of Association state that a director is considered to be permanently absent when, without justification accepted by the Board of Directors, he/she fails to attend three consecutive meetings or five non-consecutive meetings. In addition, Galp's Board of Directors has approved the Diversity Policy for the Management and Supervisory Bodies, by which Galp undertakes, in accordance with the powers of each body, efforts to promote diversity in its administrative and supervisory bodies, particularly with regard to the following criteria: age, gender, geographical origin, qualifications and professional experience. • Galp website – Governance model and bodies	-	✓	-	5; 16
2-11	Chair of the highest governance body	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 17, 18) • Galp website – Governance model and bodies	-	✓	-	16
2-12	Role of the highest governance body in overseeing the management of impacts	The Board of Directors is responsible for managing the Company's activities and for taking decisions on any matters relating to management of the Company, or any others not covered by the sole responsibility of the Annual General Meeting. The Chairman of the Board of Directors, who is not a member of the Executive Committee, represents the Board of Directors and the Company and is responsible for convening and chairing meetings of the Board of Directors and overseeing the relationship between the Company and its shareholders. The Board of Directors delegates to the Executive Committee the day-today management of the Company and appoints its Chairman. Resolutions of the Board of Directors shall be approved by a simple majority of the votes cast, except in relation to the matters detailed below, which require a qualified majority of two-thirds of the votes cast, in accordance with Article 17 of the Articles of Association. • Galp website – Governance model and bodies	-	✓	-	-
2-13	Delegation of responsibility for managing impacts	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 27)	-	✓	-	16
2-14	Role of the highest governance body in sustainability reporting	The Integrated Report is reviewed and approved annually by the Board of Directors	-	✓	-	-
2-15	Conflicts of interest	In order to safeguard the interests of the Galp Group in situations of possible conflicts of interest between the Company and its directors as a result of business conducted between them and the Company or companies in a controlling or group relationship with Galp, the regulatory standard which regulates the Group transactions with related parties, relevant transactions with Galp's related parties are subject to the prior opinion of the Audit Board. Also, in order to safeguard Galp Group's interest in situations where there are possible conflicts of interest, internal procedures were adopted to comply with the relevant accounting standards, in particular IAS 24, a regulatory rule on the control of transactions between Galp and related parties were implemented that establishes the internal rules and procedures for identification, internal reporting and control by the Audit Board. The Company Standard for Management of Conflicts of Interest was also implemented which establishes procedures for the recognition, prevention, reporting and treatment of current, potential, or apparent conflicts of interest of the employees of Galp group in the pursuit of their activities. • Internal standard Galp Group related parties' transactions	-	✓	-	16

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• Internal standard Management of conflicts of interest Furthermore, Galp's Directorate of Legal and Governance monitors the internal control system by conducting internal investigations, audits or risk assessments on matters of ethics and compliance such as conflicts of interest.				
2-16	Communication of critical concerns	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 29 – Ethics and Conduct Committee; 49 – Means and policies for communicating irregularities occurring within the Company.)	-	✓	-	-
2-17	Collective knowledge of the highest governance body	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 19 – Professional qualifications and other relevant information about each member of the Board of Directors, the General and Supervisory Board and the Executive Board)	-	✓	-	4
2-18	Evaluation of the performance of the highest governance body	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Item 24, 25, 69, 70 and 71)	-	✓	-	-
2-19	Remuneration policies	• Remuneration Policy • IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Section D – Remuneration (I to VI))	-	✓	-	-
2-20	Process to determine remuneration	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Section D – Remuneration (I to VI))	-	✓	-	-
2-21	Annual total compensation ratio	Total annual CEO remuneration / Average total annual remuneration of employees: 36.11 Total annual CEO remuneration / Median total annual remuneration of employees: 57.69 % increase in total annual CEO remuneration / Average total annual remuneration of employees: -3.57% % increase in total annual CEO remuneration / Median total annual remuneration of employees: -4.67%	-	✓	-	-
2-22	Statement on sustainable development strategy	• IR 2023: Part I – Message from the Board of Directors	-	✓	-	-
2-23	Policy commitments	At Galp, all policies are approved by the Board of Directors. • Galp website: Corporate Policies	-	✓	-	-
2-24	Embedding policy commitments	• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights (Respect Human Rights) • IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business (Embed sustainability in our culture; Transparency and ethics as key principles)	-	✓	-	-
2-25	Processes to remediate negative impacts	• IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business (Transparency and ethics as key principles)	-	✓	-	-

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Section B – Corporate Bodies and Committees II – Management and supervision; C – Internal organisation II – Communication of irregularities) • Galp website – Open Talk				
2-26	Mechanisms for seeking advice and raising concerns	• IR 2023: Part III – Corporate Governance Report (Information on the Company's shareholding structure, organisation and governance, Section B – Corporate Bodies and Committees II – Management and supervision; C – Internal organisation II – Communication of irregularities) • Galp website – Open Talk • Galp website: Corporate documents	-	✓	-	16
2-27	Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations neither any monetary fines paid under the reporting period of 2023. Note: Galp considers significant fines those over € 100 k.	-	✓	-	-
2-28	Membership associations	Galp maintains a network with associations and industry partners for cooperating, sharing, understanding and developing knowledge. • Galp's website – Sustainability – People centric energy transition (Encourage social dialogue and stakeholder engagement) • Galp's Participation in Industry Associations – Climate Change: Galp carries out an analysis of the main associations in which it participates regarding their climate positioning. • CDP Climate Change 2023: C12. Engagement; C12.1d, C12.3	-	✓	-	-
2-29	Approach to stakeholder engagement	• IR 2023: Part I – 2.3 Approach to ESG • Galp website – Sustainability – People centric energy transition (Encourage social dialogue and stakeholder engagement) Customer satisfaction: Net Promoter Score (NPS)	-	✓	-	16

	NPS
B2C Portugal (Service Stations)	66
B2C Spain (Service Stations)	75
B2C Gas & Power	53
Customer Care Portugal (Oil)	64
Customer Care Portugal (Gas & Power)	52

NPS formula: (Number of Promoters – Number of Detractors) / Number of responses x 100

2-30	Collective bargaining agreements	Percentage of employees covered by Collective Bargaining Agreements: 73.46%	-	✓	1; 3	8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Number of employees: 5,182 As stated in the employment contract, between the employee and any company of the group, the employment relationship is governed by the law and by the internal rules applicable at Galp. It should be noted that there are working conditions that, because they constitute imperative rights and duties, insusceptible of being changed by the will of the parties are, regardless of the existence of collective labour regulation instruments (IRCT) in which the collective labour agreement is included (ACT), regulated by law, namely by the Labour Code. In conclusion: 1. Working conditions are regulated in the written employment contract signed by the employee and the employer/company of the Galp group; 2. If the worker is not covered by IRCT/ACT, in what is omitted in the employment contract, it is applied what the Law determines (e.g. Labour Code with regard to rules of an imperative nature or of minimum guarantee) and internal rules, these prevailing if they are more favourable; 3. If the worker is covered by IRCT/ACT, in what is omitted in the employment contract, it is applied what the Law determines (e.g. Labour Code regarding matters of an imperative nature), the which provide for the applicable IRCT and internal rules, these prevailing if they are more favourable.				
	GRI 3: Material Topics 2021					
3-1	Process to determine material topics	• IR 2023: Part I – 2.3 Approach to ESG	-	✓	-	-
3-2	List of material topics	• IR 2023: Part I – 2.3 Approach to ESG	-	✓	-	-
	GRI 200: Economic Series					
	Aspect: Economic Performance 2016					
201-1	Direct economic value generated and distributed	**Direct economic value generated (€ million): 20,686** Revenues (net sales): 20,610 Revenues (sale of assets): 3 Revenues (dividends from shareholdings): 33 Revenues (interest on financial loans): 40 **Distributed direct economic value (€ million): 19,845** Operating costs: 16,949	11-14; 11-21	✓	-	2; 5; 7; 8; 9

GRI Standard	Disclosure	Reference or Content			GRI Sector Standard	External Verification	UNGC Principles	SDG
		Employee wages and benefits		450				
		Payments to providers of capital		1,091				
		Payments to government		1,320				
		Community investments		35				
		Direct economic value retained (€ million)		**841**				
		In 2023, the criteria changed, removing the manual calculation of a theoretical VAT rate.						
201-2	Financial implications, risks and opportunities due to climate change	Galp is exposed to risks and opportunities arising from climate change that may potentially generate significant changes in operations, revenues or expenses. These risks and opportunities, as well as their impacts and mitigation/action measures, are described in Galp's CDP Climate Change, published annually by Galp.			-	✓	-	13
201-3	Defined benefit plan obligations and other retirement plans	• IR 2023: Part IV Consolidated and individual financial statements – 17. Retirement benefit obligations			-	✓	-	-
201-4	Financial assistance received from government	Galp receives financial assistance from the government through the SIFIDE II- Sistema de Incentivos Fiscais à Investigação Empresarial, to obtain an Innovation & Development tax credit.			11-21	✓	-	-
				Tax Credits (€)				
		Portugal		8,182,001				
		Spain		0				
				Financial Incentives (€)				
		Portugal		13,189,190				
		Europe		943,819				
		Total Portugal		**21,371,191**				
		Total Europe		**943,819**				
		In terms of shareholding structure, around 7% of the holding shares are unlisted and held indirectly by the Portuguese State through Parpública - Participações Públicas, SGPS, S.A. (Parpública)						
		• IR 2023: Part I – 1.3 Galp in the capital markets						
	Aspect: Market Presence 2016							
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		**Female**	**Male**	11-2	✓	-	-
		Portugal	1.08	1.00				

GRI Standard	Disclosure	Reference or Content			GRI Sector Standard	External Verification	UNGC Principles	SDG
		Spain	0.79	0.90				
		Brazil	5.43	7.5				
		Cape Verde	1.16	1.11				
		Guinea Bissau	1.16	1.49				
		Angola	6.52	7.97				
		Mozambique	2.42	1.72				
202-2	Proportion of senior management contracted from the local community	Hired locally: 98%; Portuguese: 2%. Proportion of local hiring in relation to total: 84%; Portugal: 83%; Spain: 100%; Brazil: 83%; Africa: 100%. Operations in the above-identified countries are understood to be local operations. The definition of " senior management" is made in accordance with Galp's internal definitions. • IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights			11-11; 11-14	✓	6	8
	Aspect: Indirect Economic Impacts 2016							
203-1	Infrastructure investments and services supported	• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights (Empower communities through social investment) • Galp website – Sustainability – People centric energy transition (Empower communities through social investment)			11-14	✓	-	2; 5; 7; 9; 11
				€				
		Cash		34,415,965				
		Time		205,550				
		In-kind: contributions of product, equipment, etc.		1,493,072				
		In-kind: Pro bono contributions of services		0				
		Management costs		1,769,920				
		Total		**37,884,506**				
				Motivation (€)				
		Charitable gifts		1,525,682				
		Community investment		33,927,258				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Commercial initiatives in the community	661,646				
		Total	**36,114,587**				
			Subject Focus – Focus Area (€)				
		Education	26,909,380				
		Health	12,905				
		Economic development	1,359,614				
		Environment	3,435,895				
		Arts/Culture	714,977				
		Social welfare	3,298,977				
		Emergency relief	382,839				
		Other Support	0				
		Total	**36,114,587**				
			Subject focus – SDG (€)				
		GOAL 1: No Poverty	0				
		GOAL 2: Zero Hunger	10,026				
		GOAL 3: Good Health and Well-being	29,516				
		GOAL 4: Quality Education	26,874,022				
		GOAL 5: Gender Equality	0				
		GOAL 6: Clean Water and Sanitation	61,395				
		GOAL 7: Affordable and Clean Energy	2,448,772				
		GOAL 8: Decent Work and Economic Growth	327,413				
		GOAL 9: Industry, Innovation and Infrastructure	0				
		GOAL 10: Reduced Inequality	2,919,945				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		GOAL 11: Sustainable Cities and Communities	683,010				
		GOAL 12: Responsible Consumption and Production	0				
		GOAL 13: Climate Action	2,089,857				
		GOAL 14: Life Below Water	4,968				
		GOAL 15: Life on Land	63,198				
		GOAL 16: Peace, Justice and Strong Institutions	400,159				
		GOAL 17: Partnerships to achieve the Goals	202,306				
		Total	**36,114,587**				
			Global breakdown (€)				
		UK	0				
		Rest of Europe	9,457,493				
		Middle East and Africa	1,645,840				
		Asia-Pacific	0				
		North America	23,228				
		South America	24,988,027				
		Total	**36,114,587**				
		Total with management costs	1,769,920				
			Community Outputs				
		Total number of direct beneficiaries	1,712,092				
		Total number of beneficiary organisations	5,101				
			Business Outputs				
		Number of employees involved in Company time	1,756				
		Number of hours of employees involved in Company time	8,937				

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Number of different stakeholders aware of activities				
		Customers / consumers: 2,102,003				
		Suppliers / distributors: 0				
		Other influential stakeholders: 4,619,422				
		Value of media coverage generated: 1,057,679				
		Business Impacts				
		Improved their job-related skills: 410				
		Improve their personal effectiveness (e.g. more confident): 400				
		Make a positive change in behaviour / attitude: 771				
203-2	Significant indirect economic impacts	See indicator 203-1.	11-14	✓	-	1; 2; 3; 8; 10; 17
	Aspect: Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	In 2023, Galp made a total of € 1,022 million of purchases, distributed by 3,574 suppliers, of which 1,109 correspond to Tier 1 suppliers (suppliers with contracts exceeding €50 k). Purchases by business segment (%): Upstream (10.58%); Industrial & Midstream (46.89%); Commercial (18.10%); Corporate services (20.40%); Renewables, Innovation and New Businesses (4.02%). Local purchases by country (%): Portugal (75.79%); Spain (93.29%); Brazil (88.98%); S. Tomé and Príncipe (80.77%); Netherlands (30.88%); Namibia (61.09%); Mozambique (93.41%). Galp's information by geographic location (country) and operations in the countries identified above.	11-14	✓	-	12
	Material Aspect: Anti-corruption 2016					
3-3	Management of material topics	The topic "Anti-corruption" is related to the theme "Business Ethics", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2023 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business • IR 2023: Part III – Corporate Governance Report (C. Internal Organisation II – Communication of irregularities) • Galp website – Sustainability – Transparency and ethics as key principles • Galp website – Transparency and corruption prevention	11-20	✓	-	-

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		• Corruption Prevention Policy • Money Laundering and Terrorism financing prevention Policy					
205-1	Operations assessed for risks related to corruption	All operations that meet any of the 12 criteria set out in our internal procedure for verifying integrity and preventing money laundering are subject to due diligence by the Compliance Function, at the request of Galp companies or any other organisational units. The results of the assessments are based on quantitative and qualitative criteria. In 2023, 4,766 counterparty assessments were analysed through our Compliance system. Note: Galp partially discloses this indicator.		11-20	✓	10	16
205-2	Communication and training in anti-corruption policies and procedures	Galp communicates regularly to its employees and partners information related to anti-corruption and ethics awareness through the form of training, webinars, news, welcome guides, among others. In 2023, training was made available across the Galp Group specifically focused on the prevention of corruption.		11-20	✓	10	16
		Employees who received anti-corruption training	**552**				
		Senior grade	19				
		Middle grade	51				
		Other grade	482				
		Employees who received anti-corruption training	**7.8%**				
		Senior grade	0.3%				
		Middle grade	0.7%				
		Other grade	6.8%				
		Employees who received anti-corruption training	**552**				
		Portugal	482				
		Spain	44				
		Brazil	12				
		Africa	14				
		Rest of the world	0				
		Employees who received anti-corruption training	**7.8%**				
		Portugal	6.8%				
		Spain	0.6%				

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Brazil 0.2% Africa 0.2% Rest of the world 0.0% • IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business • Galp website – Sustainability – Transparency and ethics as key principles				
205-3	Confirmed cases of corruption and measures taken	Galp registered no cases of corruption in 2023.	11-20	✓	10	16
	Material Aspect: Anti-competitive behaviour 2016					
3-3	Management of material topics	The topic "Unfair competition" is related to the theme "Business Ethics", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2023 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business • IR 2023: Part III – Corporate Governance Report (C. Internal Organisation II – Communication of irregularities)	11-19	✓	-	-
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No lawsuits were filed on this issue in 2023. In this case, a decision was issued by the Directorate-General for Consumers, which was challenged in court by Galp. We are currently awaiting developments on this matter.	11-19	✓	-	16
	Aspect: Tax 2019					
207-1	Approach to tax	Galp's Tax Policy reinforces the Group's ambition to develop its activity in accordance with the applicable laws and regulations and with the best practices and experiences of each of the jurisdictions where it operates. With a view to continuous improvement, Galp is committed to monitoring the evolution of best practices. • Tax Policy The internal Accounting and Tax department is responsible for proposing and implementing the Galp Group fiscal strategy for all jurisdictions in which it operates or intends to operate, aligned with the Tax Policy approved by the Board of Directors.	11-21	✓	-	-
207-2	Tax governance, control and risk management	Galp monitors, measures and manages tax matters in order to ensure responsible decision-making in this area and in order to minimise potential financial and reputational risks. The Supervisory Board is the body responsible for ensuring tax compliance, supervising accounting policies and valuation criteria, supervising the effectiveness of the risk management and internal control system, supervising the process of preparing and disclosing financial information, among others. The Accounting & Tax department is responsible for promoting, coordinating and monitoring the implementation of a formal internal control system at the Galp Group, particularly for internal controls on financial reporting, as well as supervising and monitoring the mechanisms necessary for the effectiveness thereof, also defining and promoting the annual cycle of relevant activities within the scope of an internal control system for financial reporting, as well as report on Galp Group performance in matters relating to internal controls for financial reporting.	11-21	✓	-	-

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
207-3	Stakeholder engagement and management concerns related to tax	Galp promotes a set of initiatives that essentially aim to foster appropriate relations with local tax authorities, governments and other stakeholders. Among the initiatives promoted, the following stand out: participation in formal consultation processes with tax authorities, participation in public discussions and in the development of tax proposals with national and international organisations and sharing of information on matters under consultation.	11-21	✓	-	-
207-4	Country-by-country reporting	• IR 2023: Part IV Consolidated and individual financial statements – 16. Taxes, deferred income taxes and contributions. Note: indicator partially reported	11-21	✓	-	-
	GRI 300: Environmental Series					
	Aspect: Materials 2016					
301-1	Materials used by weight or volume	Crude oil processed at the Sines Refinery: 9,305,581 ton. Feedstock processed at the Sines Refinery: 11,208,532 ton.	-	✓	7; 8	8; 12
301-2	Recycled input materials used	Galp operates an industrial unit in Sines, Enerfuel, dedicated to the biodiesel production FAME (fatty acid methyl ester) through transformation of waste oils and waste animal fats into second generation biofuels. The percentage of recycled materials used in Galp's operations is 0.24%.	-	✓	7; 8	8; 12
301-3	Reclaimed products and their packaging materials	Weight of SPV (Sociedade Ponto Verde) packages: – Plastic (ton): 229 – Paper and carton (ton): 96 – Steel (ton): 655 – Wood (ton): 456 – TOTAL (ton): 1,436 Percentage of reclaimed products and their packaging materials: 98%	-	✓	7; 8	8; 12
	Material Aspect: Energy 2016					
3-3	Management of material topics	The topic "Energy" is related to the theme "Sustainable energy portfolio", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2023 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). • IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey, 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity	-	✓	-	-

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
302-1	Energy consumption within the organisation	• IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey, 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity • CDP Climate Change 2023: C8. Energy		11-1	✓	7; 8	7; 8; 12; 13
		Direct energy consumption by primary sources (TJ)[1]	25,382				
		Direct energy consumption by primary sources (TJ)[1] – non-operated assets	6,786				
		Purchase of electricity (TJ)[2]	1,506				
		Electricity production (TJ)[3]	2,756				
		Electricity sold (TJ)[3]	2,130				
		[1] The main fuels used are NG and fuelgas. This includes all Galp business segments. [2] Includes all Galp business segments (Upstream; Industrial & Midstream; Commercial; Renewables, Innovation & New businesses). [3] The production and sale of electricity relate to Industrial & Midstream (Sines refinery); Commercial (Agroger) and Retail (service stations).					
302-2	Energy consumption outside the organisation	Galp monitors and reports the energy consumption outside the organisation, namely: diesel consumption by the fleet of service providers (road transport); diesel consumption by the fleet of service providers (maritime transport); fuel oil consumption by the fleet of service providers. Energy consumption connected to the service providers (GJ): 2,118,318		11-1	✓	8	7; 8; 12; 13
302-3	Energy intensity	Galp calculates energy intensity ratios for its most relevant operations, namely: Industrial & Midstream and Upstream (non-operated).		11-1	✓	8	7; 8; 12; 13
		Sines Refinery – Energy Intensity Index (EII)	100.2				
		Upstream non-operated Brazil (GJ/boe)	0.13				
		Upstream non-operated Mozambique (GJ/boe)	0.46				
302-4	Reduction of energy consumption	• IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey, 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity • CDP Climate Change 2023: C8. Energy Note: indicator partially reported		-	✓	8; 9	7; 8; 12; 13

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
302-5	Reductions in energy requirements of products and services	• IR 2023: Part I – 3.4 Commercial • IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey, 2. Biodiversity, Water, Circular economy	-	✓	8; 9	7; 8; 12; 13
	Aspect: Water and Effluents 2018					
303-1	Interactions with water as a shared resource	Galp is committed to adopting measures that promote the most efficient and sustainable use of water in its various operations. Among the actions promoted for the sustainable management of this resource, we highlight the periodic updating of the mapping of risks associated with the use of water in 100% of Galp's operations and the monitoring of the quality of groundwater in its upstream, midstream and downstream operations, namely on onshore blocks and at the refinery. The goals established in this area are in line with the eco-efficiency objectives established for the Group's operations. More information about the organisation's interaction with water at: • IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Effective water stewardship • Galp website – Sustainability – Operational excellence and transition towards circularity • Analysis of risks associated with nature – Assessment 2023 • CDP Water Security 2023	11-6	✓	-	-
303-2	Management of water discharge-related impacts	Galp is concerned with reducing the production of effluents and minimising its polluting load in all its operations. To ensure an adequate management of the effluents produced, we offer treatment systems, fit for purpose, depending on the type of installation in question (e.g.: dedicated WWTP; pre-treatment systems combined with the sending of pre-treated effluents to a third-party WWTP. part). The level of compliance is ensured through periodic monitoring of the quality of effluents, ensuring that they are below the defined emission limit values. Galp has been developing projects in order to optimise the quality of its wastewater and, consequently, to achieve greater efficiency in its systems, allowing for an increase in the amount of water reused/ recycled. • IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Effective water stewardship • Galp website – Sustainability – Operational excellence and transition towards circularity • CDP Water Security 2023: W3	11-6	✓	-	-
303-3	Water withdrawal	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Effective water stewardship • Galp website – Sustainability – Operational excellence and transition towards circularity • Analysis of risks associated with nature – Assessment 2023	11-6	✓	7; 6	6

	thousand m^3
Total water withdrawal	**9,125**
Surface water	0

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Groundwater	487				
		Seawater	93				
		Produced water	0				
		Third-party water	8,545				
		Total water withdrawal from all areas with water stress	**8,353**				
		Surface water	0				
		Groundwater	302				
		Seawater	93				
		Produced water	0				
		Third-party water	7,958				
		Total water withdrawal by category	**9,125**				
		Freshwater	9,032				
		Other water	93				
		Water consumption is calculated using standard methodologies, e.g., billing, meter reading or estimation.					
303-4	Water discharge	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Effective water stewardship • Galp website – Sustainability – Operational excellence and transition towards circularity • Analysis of risks associated with nature – Assessment 2023 All effluents from Galp's facilities are subject to proper treatment, in order to prevent or minimise the environmental impact and ensure compliance with all the legal requirements in force in each geography.		11-6	✓	8	6
			Thousand m³				
		Total water discharge	**6,109**				
		Surface water	0				
		Groundwater	803				
		Sea water	0				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Third-party water	3,999				
		Water environment	1,307				
		Total water discharge by category	**6,109**				
		Freshwater	6,109				
		Other water	0				
		Total water discharge in areas with water stress	**5,569**				
		Freshwater	5,569				
		Other water	0				
		Effluent production is determined by standard methodologies, e.g., billing or estimating.					
	Hydrocarbons discharge	Concentration of hydrocarbons discharged in produced water and process wastewater (mg/L): 64 (Sines Refinery)		11-6	✓	8	6
303-5	Water consumption	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Effective water stewardship • Galp website – Sustainability – Operational excellence and transition towards circularity • Analysis of risks associated with nature – Assessment 2023		11-6	✓	8	6; 8; 12
			Thousand m³				
		Total water consumption	3,017				
		Total water consumption from all areas with water stress	2,784				
-	Reused water	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy		-	✓	8	6; 8; 12
			Thousand m³				
		Total volume of water reused	1,112				
		Percentage of water reused	12%				
	Aspect: Biodiversity 2016						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity outside protected areas	142 of the 432 Galp's sites, equivalent to 33%, are located in areas of high importance for biodiversity. These sites are all located in Portugal and Spain. • IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy		11-4	✓	8	6; 14; 15

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with nature – Assessment 2023				
304-2	Significant impacts of activities, products, and services on biodiversity	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with nature – Assessment 2023	11-4	✓	8	6; 14; 15
304-3	Habitats protected or restored	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with nature – Assessment 2023	11-4	✓	8	6; 14; 15
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with nature – Assessment 2023 A total of 142 sites are within areas of high importance of biodiversity. See 304-1. **Species** Critically Endangered (CR): 2,019 Endangered (EN): 4,620 Vulnerable (VU): 9,202 Near Threatened (NT): 10,488 Least Concern (LC): 144,023	11-4	✓	8	6; 14; 15
	Material Aspect: Emissions 2016					
3-3	Management of material topics	The topic "Emissions" is related to the theme "Sustainable energy portfolio", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2023 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). • IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey, 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity • CDP Climate Change 2023: C1. Governance; C3. Business Strategy; C4. Targets and performance; C6. Emissions data	11-1; 11-2; 11-3	✓	-	-

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• TCFD Recommendations • Climate Change Policy • Remuneration Policy				
305-1	Direct (scope 1) GHG emissions	Direct (scope 1): GHG emissions 2.99 mton CO_2e Percentage of gross direct (scope 1) GHG emissions from CH_4: 0.85% • IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem • CDP Climate Change 2023: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7 Galp's carbon footprint is annually calculated using the methodological framework established by The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, supplemented by the relevant industry adaptation promoted by the International Petroleum Industry Environmental Conservation Association (IPIECA) – Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industries. The Global Warming Potentials calculated in the IPCC Fourth Assessment Report (AR4) were used.	11-1	✓	7; 8	3; 12; 13; 14; 15
305-2	Indirect (scope 2) GHG emissions	Indirect (scope 2) GHG emissions: 0.98 mton CO_2e • IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem • CDP Climate Change 2023: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7 Galp's carbon footprint is annually calculated using the methodological framework established by The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, supplemented by the relevant industry adaptation promoted by the International Petroleum Industry Environmental Conservation Association (IPIECA) – Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industries. The Global Warming Potentials calculated in the IPCC Fourth Assessment Report (AR4) were used.	11-1	✓	7; 8	3; 12; 13; 14; 15
305-3	Other indirect (scope 3) GHG emissions	Other indirect (scope 3) GHG emissions: 42.1 mton CO_2e • IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem • CDP Climate Change 2023: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7 Galp's carbon footprint is annually calculated using the methodological framework established by The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, supplemented by the relevant industry adaptation promoted by the International Petroleum Industry Environmental Conservation Association (IPIECA) – Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industries. The Global Warming Potentials calculated in the IPCC Fourth Assessment Report (AR4) were used.	11-1	✓	7; 8	3; 12; 13; 14; 15
305-4	GHG emissions intensity	• IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem	11-1	✓	8	13; 14; 15

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• CDP Climate Change 2023: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7 Galp calculates carbon intensity ratios for its most relevant operations, namely: Refining and Upstream. In Refining, CWT is the denominator. In the case of Upstream, the denominator is the amount of hydrocarbons produced. The ratios are calculated with Scope 1 GHG emissions. **Carbon intensity (Refining)** Sines refinery (CO_2/CWT) 30.9 **Carbon intensity (Upstream)** Total (kg CO_2/boe) 9.1				
305-5	Reduction of GHG emissions	See indicator 302-4 and 302-5. • IR 2023: Part II – Sustainability Journey – 1. Our decarbonisation journey • Galp website – Sustainability – Accelerate decarbonisation across our ecosystem	11-2	✓	8; 9	13; 14; 15
305-6	Emissions of ozone-depleting substances (ODS)	Galp does not manufacture or commercialise products that emit substances harmful to the ozone layer. On the other hand, Galp ensures compliance with the applicable regulations of the equipment it uses that contains these substances, verifying this compliance through specific checks as well as audits. Finally, the Company has a Regulatory Guide - Management of substances that deplete the ozone layer. We thus guarantee that no significant sources of emissions of these substances have been identified in Galp's activities.	-	✓	7; 8	3; 12
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Operational excellence and transition towards circularity Internationally accepted emission factors (EEA; EPA) applied to energy consumptions are used to calculate emissions. In Refining, emissions are measured continuously.	11-3	✓	7; 8	3; 12; 14; 15
	Aspect: Waste 2020					
306-1	Waste generation and significant waste-related impacts	For Galp, environmental protection is a central theme, present in the different phases of all activities, from conception and design to the end of the useful life of facilities, equipment and products. In 2024, a circular economy strategy is expected to be studied with a view to defining action priorities in order to contribute to mitigating waste generation, namely by reducing the amount of waste produced by increasing reuse and contributing to an overall increase in recycling. In the projects under development and in ongoing operations, Galp endeavours to promote specific practices for the reuse of raw materials and the forwarding of its waste products to a new use.	11-5	✓	8	3; 6; 12; 14
306-2	Management of significant waste-related impacts	Galp seeks to minimise consumption and maximise the usefulness of materials, namely through their reuse, recycling or recovery, ensuring compliance with the applicable legal requirements in each location where we operate. Waste management is supported by a risk analysis and assessment, taking into account both the dangerousness of the products/waste from operations and the capacity and suitability of the infrastructure and equipment to process and store them. Galp effectively guarantees the management of waste from its activities through its integrated management system with ISO 14001 certification at its main waste-producing facilities. At the same time, Galp adequately manages the risks associated with waste management, both for ecosystems and human health.	11-5	✓	8	3; 6; 12; 14

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
306-3	Waste generated	• IR 2023: Part II – Sustainability Journey – 2. Biodiversity, Water, Circular economy • Galp website – Sustainability – Operational excellence and transition towards circularity		11-5; 11-8	✓	8	3; 6; 12; 14
			tonnes				
		Total waste generated	**29,240**				
		Recovered	15,416				
		Disposed	13,824				
		Percentage of total waste recovered (%)	**53%**				
		By category:					
		Hazardous waste	**24,776**				
		Recovered	11,601				
		Disposed	13,175				
		Non-hazardous waste	**4,463**				
		Recovered	3,815				
		Disposed	648				
		Waste production is determined through waste control guides provided by the service providers.					
	Significant spills	Losses of primary containment that reached the environment (no.) (>150 l): 5 Losses of primary containment that reached the environment (m^3) (>150 l): 4.8		11-8	✓	-	-
	Process safety events	• IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world		11-8	✓	-	-
		***Tier* 1**					
		Process safety events	2				
		Process safety events rate	0.07				
			Business Unit				
		Upstream	0				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Industrial & Midstream	2				
		Commercial	0				
		Renewables, Innovation and New Businesses	0				
		Corporate	0				
		***Tier* 2**					
		Process safety events	6				
		Process safety events rate	0.21				
			Business Unit				
		Upstream	0				
		Industrial & Midstream	3				
		Commercial	3				
		Renewables, Innovation and New Businesses	0				
		Corporate	0				
		***Tier* 3**					
		Process safety events	60				
		Process safety events rate	2.08				
			Business Unit				
		Upstream	0				
		Industrial & Midstream	52				
		Commercial	8				
		Renewables, Innovation and New Businesses	0				
		Corporate	0				

Tier 1 is a primary containment loss of major consequences: unplanned release of any material, including non-toxic and non-flammable materials, from a process that results in a very serious consequence.

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Tier 2 is a primary containment loss of minor consequences: unplanned release of any material, including non-toxic and non-flammable materials, which results in a consequence.				
306-4	Waste diverted from disposal	Galp does not have enough information to report the information required for this indicator. Despite this information, Galp responds partially to this indicator in the table presented in GRI 306-3.	11-5	✓	8	3; 6; 12; 14
306-5	Waste directed to disposal	Galp does not have enough information to report the information required for this indicator. Despite this information, Galp responds partially to this indicator in the table presented in GRI 306-3.	11-5	✓	8	3; 6; 12; 14
	Aspect: Supplier Environmental Assessment 2016					
308-1	New suppliers that were screened using environmental criteria	• IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business (Sustainable supply chain driving our business) • Galp website – Sustainability – Sustainable supply chain driving our business In 2023, Galp had 1,109 tier 1 suppliers, 523 critical suppliers and 55 tier n-1 suppliers. Certification of suppliers:	-	✓	8	-

International Standard	
Quality (ISO 9001)	3,024
Environment (ISO 14001)	1,808
Security (OHSAS 18001)	1,757
Other certifications	699

Certification of tier 1 suppliers:

International Standard	
Quality (ISO 9001)	537
Environment (ISO 14001)	344
Security (OHSAS 18001)	326
Other certifications	167

Supplier audits:

Audits	
No. audits to suppliers	122

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		No. audits to tier 1 suppliers	97				
		No. critical tier 1 suppliers audited	79				
		No. critical tier n-1 suppliers audited	0				
		No. tier 1 suppliers audited with high sustainability risk	2				
		% audited tier 1 suppliers	8.7%				
		% critical certified tier 1 suppliers	10.1%				
		Sustainability risk:					
		Sustainability risk					
		No. of tier 1 suppliers evaluated	1,053				
		No. of critical tier 1 suppliers evaluated	1,514				
		No. of critical tier n-1 suppliers evaluated	50				
		% tier 1 suppliers evaluated in terms of ESG	95%				
		% critical suppliers evaluated in terms of ESG	92%				
		No. of tier 1 suppliers with high sustainability risk	26				
		No. of critical tier n-1 suppliers with high sustainability risk	4				
		No. of tier 1 suppliers with high economic sustainability risk	26				
		No. of tier 1 suppliers with high environmental sustainability risk	0				
		No. of tier 1 suppliers with high social sustainability risk	0				
		% of high-risk tier 1 suppliers subject to audits	7.7%				
		% critical tier 1 suppliers for whom Galp is a major customer (>30% turnover)	11.66%				
		No. tier 1 suppliers evaluated in the last 3 years	1,062				
		% tier 1 suppliers evaluated in the last 3 years	96%				
		No. critical tier n-1 suppliers evaluated in the last 3 years	50				

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		% critical tier n-1 suppliers evaluated in the last 3 years 91% Average days of payments to suppliers 43 Supplier pre-qualification effectiveness 99.94%				
308-2	Negative environmental impacts in the supply chain and actions taken	No tier 1 (critical and non-critical) suppliers with high environmental sustainability risk were identified. • IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business (Sustainable supply chain driving our business) • Galp website – Sustainability – Sustainable supply chain driving our business	-	✓	8	-
	GRI 400: Social Series					
	Material Aspect: Employment 2016					
3-3	Management of material topics	The topic "Employment" is related to the "Talent attraction and retention" theme, which is a material topic for Galp. The management and development of our human capital is a crucial factor in the success of our Organisation. Galp positions itself as a competitive employer, offering the conditions to attract, develop and retain the talent of employees, considering the strategic and context challenges that the Organisation faces. To meet our goal of making Galp the greatest place to work, we regularly adjust our human capital strategy, focusing on the following areas of action: Recruitment; Development; Performance management; Compensation; Welcoming, learning and training; Information systems, among others. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2023 or in the sustainability website. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights, 4. Protect and empower our people • Galp website – Sustainability – People-centric energy transition • Galp website – Sustainability – Promote Diversity • Galp website – Sustainability – Galp as a great place to work	11-10	✓	-	-
401-1	New employee hires and employee turnover	• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights, 4. Protect and empower our people • Galp website – Sustainability – Promote Diversity • Galp website – Sustainability – Galp as a great place to work • HR Annex in this section	11-10	✓	-	5; 8
401-2	Benefits granted to full time employees that are not provided to temporary or part-time employees	There is no distinction in the benefits attributed to employees due to the partial or full nature of their link. Galp employees enjoy the conditions established in the Labour Code. We make available to all our employees and pensioners a set of social insurances other than those provided for in the Labour Code (for example, health insurance and life insurance)	11-10	✓	-	8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
401-3	Parental leave	Right to take leave (M&F): 100% Rate of return (M&F): 100%[1] Retention rate (M&F): 100%[1] Employees that returned to work after parental leave ended: 237 (Male 158, Female 79) Employees that returned to work after parental leave ended that were still employed 12 months after their return to work: 237 (Male 158, Female 79) [1] No causal relationship is found between parental leave situations and leaving the Company.	11-10; 11-11	✓	3	5; 8
	Aspect: Labour/ Management Relations 2016					
402-1	Minimum notice periods regarding operational changes	There's not a pre-defined, minimum deadline to notify employees and their representatives prior to the implementation of significant operational changes. Employees are notified of any such changes in a manner deemed timely and appropriate by Management.	11-7; 11-10	✓	4	8
	Material Aspect: Occupational Health and Safety 2018					
3-3	Management of material topics	The topic "Occupational Health and Safety" is related to the "Safety" theme, which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2023 and in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world	11-8; 11-9	✓	-	-
403-1	Occupational health and safety management system	Galp has one ambition: to be the safest energy company in the world. As part of this process, we decided to review our integrated management system in order to fill in some gaps and incorporate the lessons learnt from the previous system. Our integrated management system (IMS) includes the following aspects: • ISO 9001 and ISO 14001 certification • ISO 50001 certification at the Sines Refinery • EN 12591:2009 (CE marking) at the Viana de Castelo Park • Health, Safety and Security - a system integrated with the other strands, which includes new standards such as Road Safety, and is associated with a Governance Model in which the Executive Committee and Leadership Team play an important role. This strand has four anchor processes: Change Management, Work Authorisation, Emergency Preparedness and Accident Investigation. All of these were already part of our system, but we are reviewing them in order to improve some areas. Change Management: we now have an IT platform to record and monitor change requests.	11-9	✓	-	3; 8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Work authorisations: we are working on a diagnosis of the current system in order to identify possible gaps and known good practices which, once incorporated into the revision of the current standard, could result in a more robust process. Also with regard to work permits, we have a project to digitise the process, thus being able to dematerialise it completely. Accident investigation: we have had training on the TRIPOD BETA methodology, which will be introduced as the methodology to apply during the investigation of the most serious accidents, instead of the 5 whys methodology. With the aim of improving our management system and safety culture, Safety Day was held in 2023 with the theme of STOP WORK AUTHORITY. At the same time, we are running a Safety Champions programme. Workshops for leadership teams continue to take place, with the aim of having a leadership that is not only visible but more committed. As part of this whole process, we are building the foundations for making Galp a Learning Organisation and incorporating Operational Excellence as a fundamental step in this journey. • IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world				
403-2	Hazard identification, risk assessment, and incident investigation	Galp has a structured process for identifying hazards and assessing risks in the workplace (IPARPT) that is transversal to the whole organisation. The risks identified are assessed in relation to their criticality and, for each one, there are mitigation measures. The result of this assessment is made known to each worker. This process is periodically reviewed and updated according to the lessons learnt from applying the various safety management tools available. This exercise is centralised and managed by the HSE areas of the various businesses and, typically, there is an assessment of its suitability/update at least once a year. The main reporting tool is the ibpms computer system through which any employee, Galp or external, can report unsafe acts or conditions, or even near misses. All of these are analysed, investigated where applicable, and the conclusions serve as one of the inputs to IPARPT's continuous review process. There is also an additional tool, mainly aimed at Behavioural Safety, but which also allows the recording of unsafe conditions, which follow the same process of analysis and resolution. In 2023, the theme of Safe Energy Day was "STOP WORK AUTHORITY". This authority to stop work had been in place since 2019, but it was very much centred on violations of the Life Saving Rules. In 2023, it was formalised as a policy and the scope was broadened so that it can now apply to any unsafe condition/act, regardless of whether or not it is linked to a Life Saving Rule. Symbolically, all employees have a STOP CARD, signed by the CEO, giving each one this authority. Galp has set up a formal process for investigating all incidents. In the vast majority of situations, the 5 whys methodology is used for the investigation, but during 2023, training was given on a new methodology, TRIPOD BETA, which is more geared towards investigating more serious accidents. The conclusions of incident investigations are also, where applicable, an input for the IPARPT review. • IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world	11-9	✓	-	3; 8
403-3	Occupational health services	Occupational health ensures that employees' health is properly monitored according to the risks to which they are exposed in the workplace. This monitoring includes all assessment procedures carried out through health examinations, biological monitoring, radiological assessment, questionnaires or interviews, analyses of health records, etc. In the event of exposure to risks (ergonomic, environmental or other), Occupational Medicine makes recommendations for mitigating or eliminating these risks in the employee's Fitness File or on visits to the workplace (Occupational Physician's reports).	11-9	✓	-	3; 8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		All workers are monitored by the health services (every 2 years, annually or less, according to medical criteria and depending on the risks to which they are exposed), and at any time the employee themselves can request an (occasional) medical examination from Occupational Medicine, if necessary. The Occupational Medicine services carry out internal audits (to ensure legal compliance and continuous improvement) and are certified within the scope of the integrated management system, thus guaranteeing the respective quality of service. • IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Advocate people's wellbeing as top priority) • Galp website – Sustainability – Galp as a great place to work				
403-4	Worker participation, consultation, and communication on occupational health and safety	Galp has an employee consultation and participation process that is applied uniformly throughout the Company, which guarantees compliance with the requirements of ISO 45001, transposed into internal regulations via PO-AQSS-017. The Management System is regularly assessed through audits, including those under the SEVESO Directive. In addition, an Occupational Health and Safety Committee has been set up for PETROGAL, the group's company with the main industrial assets, which meets periodically every 2 months and is attended by the Workers' Representatives formally elected through the process in place for this purpose, and the members of the Leadership Team for each of the assets covered. • IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world	11-9	✓	-	3; 8
403-5	Worker training on occupational health and safety	In 2023, a total of 58,073 training hours on safety and health topics, with 20,251 participations. We highlight as relevant topics first aid, emergency response, defensive driving and Safe Energy.	11-9	✓	-	3; 8
403-6	Promotion of worker health	Galp ensures the provision of healthcare to its employees and their families through a Health Insurance, granting access to a wide network of doctors, clinics, hospitals, and other healthcare providers. In Portugal, the Company also operates Galp Medical Centers, located across different geographical areas of its operations, providing access to primary medical care (general and family medicine, internal medicine) and some specialties (such as dentistry, ophthalmology, gynecology, cardiology, neurology, otolaryngology, urology, nursing treatments, nutrition consultations, and clinical analysis). Performance in this area is constantly monitored. Galp promotes the health and well-being of its employees by encouraging the adoption of healthy behaviors and an active lifestyle (e.g., nutrition consultations, promotion of physical activity, smoking cessation), and conducting awareness campaigns and disease prevention, such as breast and prostate cancer, cardiovascular diseases, and obesity. Similar to previous years, in 2023, Galp continued to promote various well-being initiatives, such as yoga and pilates, psychological support, nutrition consultations, workshops on healthy eating and lifestyle habits (sleep). Galp is focused on ensuring the same health and well-being experience for each of its employees, across all its locations and geographies, and ensuring that all its employees feel healthier, more productive, and happier. More information at: • IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Advocate people's wellbeing as top priority) • Galp website – Sustainability – Galp as a great place to work	11-9	✓	-	3; 8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Galp's approach regarding prevention or mitigation of significant negative OHS impacts, is based on the European Directive 92/57/CEE. According to the transposition to the Portuguese Law it is mandatory for all contractors to present a risk evaluation of the different tasks to be carried out for every risky activity where the correspondent risks are identified and the mitigation measures are defined. This Risk Evaluation is approved by Galp, as "construction" owner. The results of this exercise are communicated to the worker just before the beginning of the different tasks. Additionally, Galp has several tools regarding prevention which are applied on a daily basis in order to monitor the level of accomplishment of the different contractors with the prevention measures previously defined and approved. In addition, at the end of each year, the areas are consulted in order to plan which audits to be carried out on suppliers in the following year. At the end of 2022, it was planned for 2023 to carry out 60 audits of suppliers, of which 72 were carried out. These audits can be carried out at the headquarters of the respective companies or at the shipyards and activities that they perform at our facilities. The scope of the audits includes the Security component.	11-9	✓	-	3; 8
403-8	Workers covered by an occupational health and safety management system	100% of Galp's employees are covered by the internal Safety Management System, which is currently under review, and which is applicable to all business units and geographies where the organisation operates. Employees covered: 7,054 % of employees covered: 100%	11-9	✓	-	8
403-9	Work-related injuries	• IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world • HR Annex in this section	11-9	✓	-	3; 8
403-10	Work-related ill health	• IR 2023: Part II – Sustainability Journey – 4. Protect and empower our people (Advocate people's wellbeing as top priority) • HR Annex in this section	11-9	✓	-	3; 8
	Material Aspect: Training and Education 2016					
3-3	Management of material topics	The topic "Training and Education" is related to the "Development of Human Capital" theme, which is a material topic for Galp. The management and development of our human capital is a crucial factor in the success of our organisation. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2023 and in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights, 4. Protect and empower our people • Galp website – Sustainability – People-centric energy transition • Galp website – Sustainability – Galp as a great place to work	11-10; 11-11	✓	-	-
404-1	Average hours of training per year per employee	• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights, 4. Protect and empower our people	11-10; 11-11	✓	-	4; 5; 8

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		• HR Annex in this section					
		Training hours (Total)	**223,711**				
		Senior Grade	**10,215**				
		Male	6,648				
		Female	3,567				
		Middle Grade	**30,699**				
		Male	18,552				
		Female	12,147				
		Other Grade	**182,797**				
		Male	102,098				
		Female	80,699				
		Gender	**223,711**				
		Male	127,298				
		Female	96,413				
		Training per employee (h/employee)	**31.7**				
		Male	33.2				
		Female	30.2				
		Senior Grade	32.6				
		Middle Grade	42.2				
		Other Grade	30.4				
404-2	Programs for upgrading employee skills and transition assistance programs	• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights, 4. Protect and empower our people • Galp website – Sustainability – People-centric energy transition • Galp website – Sustainability – Galp as a great place to work		11-7; 11-10	✓	-	8

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
-	Closure and rehabilitation	During 2023, Galp continued the rehabilitation plan in place at Matosinhos refinery.		11-7	✓	-	-
404-3	Percentage of employees receiving regular performance and career development reviews	• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights, 4. Protect and empower our people Performance evaluation:		-	✓	6	5; 8
		Senior Grade	**100%**				
		Male	100%				
		Female	100%				
		Middle Grade	**100%**				
		Male	100%				
		Female	100%				
		Other Grade	**100%**				
		Male	100%				
		Female	100%				
	Aspect: Diversity and Equal Opportunities 2016						
405-1	Diversity of governance bodies and employees	• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights (Promote Diversity) • Galp website – Sustainability – Promote Diversity • HR Annex in this section		11-11	✓	-	5; 8
405-2	Ratio of basic salary and remuneration of women to men	Remuneration: **BASIC ANNUAL SALARY**		11-11	✓	6	5; 8; 10
		Average Ratio – Senior grade	**0.93**				
		Male	108,745				
		Female	101,068				
		Average Ratio – Middle grade	**0.97**				
		Male	61,549				
		Female	59,825				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Average Ratio – Other grades	**0.89**				
		Male	26,042				
		Female	23,173				
		ANNUAL TOTAL REMUNERATION					
		Average Ratio – Senior grade	**0.93**				
		Male	144,217				
		Female	134,059				
		Average Ratio – Middle grade	**0.98**				
		Male	74,193				
		Female	72,608				
		Average Ratio – Other grades	**0.87**				
		Male	28,350				
		Female	24,601				
		AVERAGE RATIO SALARY-REMUNERATION					
		Average Ratio – Senior grade	**0.75**				
		Male	0.75				
		Female	0.75				
		Average Ratio – Middle grade	**0.83**				
		Male	0.83				
		Female	0.82				
		Average Ratio – Other grades	**0.93**				
		Male	0.92				
		Female	0.94				

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		The data above refers to the most representative countries in terms of headcount, encompassing all business units operating in these countries (Portugal and Spain).				
	Aspect: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	3 cases identified and archived due to lack of evidence of the behaviours. In accordance with our Code of Ethics and Conduct, we do not act in a discriminatory manner in relation to our employees nor any person, particularly based on race, religion, sex, sexual orientation, ancestry, age, language, territory of origin, political or ideological convictions, economic situation, or contractual relationship. In 2023, the Ethics and Conduct Committee received 54 complaints that were duly investigated, following the Internal Whistleblowing Communication Standard. Of the received complaints, 21 were related to workplace harassment, 5 to potential conflicts of interest, 3 to consumer defense, and 3 to discrimination. Out of the 54 reported cases, 22 were archived due to lack of evidence of the described facts, 6 required the adoption of measures by the Company to align conduct with the standards established in the Code of Ethics and Conduct, 11 are ongoing, and 15 are complaints outside the scope with no defined mitigation measures.	11-11	✓	6	5; 8; 10
	Aspect: Freedom of Association and Collective Bargaining 2016					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	0 (zero) cases. Galp had no record of this type of situation in 2023. • Code of Ethics and Conduct	11-13	✓	3	8
	Aspect: Child Labour 2016					-
408-1	Operations and suppliers at significant risk for incidents of child labor	0 (zero) cases. Galp had no record of this type of situation in 2023. • Code of Ethics and Conduct	-	✓	5	8; 16
	Aspect: Forced or Compulsory Labour 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	0 (zero) cases. Galp had no record of this type of situation in 2023. • Code of Ethics and Conduct	11-12	✓	4	8
	Aspect: Security Practices 2016					
410-1	Security personnel trained in human rights policies or procedures	Galp's security service is essentially contracted to external entities and its alignment with the Company's principles in terms of human rights is ensured through its Purchasing Policy.	11-18	✓	1	16
	Aspect: Rights of Indigenous People 2016					
411-1	Incidents of violations involving rights of indigenous peoples	0 (zero) cases. Galp had no record of this type of situation in 2023.	11-17	✓	1	2
	Management of operations where indigenous communities are present or are affected by the Company's activities	Galp assesses the potential impacts on indigenous communities and has a guide in place that incorporates environmental, social, health and safety requirements across the project life cycle. This ensures both the human rights of the population and the protection of indigenous communities in the development of each stage of the Company's activities (Upstream segment).	11-17	✓	1	2

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights (People-centric energy transition) • Galp website – Sustainability – People centric energy transition				
	Aspect: Local Communities 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	See indicator 203-1. • IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights (Empower communities through social investment) • Galp website – Sustainability – People centric energy transition (Empower communities through social investment)	11-15	✓	1	-
413-2	Operations with significant actual and potential negative impacts on local communities	All of Galp's projects have their environmental and social impacts analysed as part of Environmental Impact Assessments (EIA). As a result of these environmental impact assessment processes, mitigation and compensation measures associated with each project are defined. In relation to Namibia, in line with our commitment to environmental responsibility and community involvement, we successfully completed an Environmental, Social, Health and Impact Assessment (ESHIA), leading to the issue of an Environmental Clearance Certificate (ECC) from the Government of Namibia. We also secured an extension to our ECC and conducted an Environmental Baseline Survey (EBS) offshore Namibia. These initiatives are crucial steps in our ongoing efforts to ensure responsible and sustainable operations. • IR 2023: Part II – Sustainability Journey – 3. People, Communities, Human Rights (Empower communities through social investment) • Galp website – Sustainability – People centric energy transition (Empower communities through social investment)	11-15; 11-16	✓	1	1; 2
-	Operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing	Galp had no record of this type of situation in 2023.	11-16	✓	-	-
	Aspect: Supplier Social Assessment 2016					
414-1	New suppliers that were screened using social criteria	All new Galp's suppliers are assessed based on social criteria. See indicator 308-1.	11-10; 11-12	✓	-	-
414-2	Negative social impacts in the supply chain and actions taken	The number of tier 1 suppliers (critical and non-critical), where a high level of social sustainability risk was identified is 0. • IR 2023: Part II – Sustainability Journey – 5. Promote a value adding, conscious business (Sustainable supply chain driving our business) • Galp website – Sustainability – Sustainable supply chain driving our business	11-10	✓	1	-
	Aspect: Public Policy 2016					
415-1	Political contributions	Galp does not make any political contributions, whether direct or indirect.	11-22	✓	-	-

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
	Aspect: Customer Health and Safety 2016					
416-1	Assessment of the health and safety impacts of product and service categories	100% of the products produced by Galp and branded by Galp, mainly lubricants, chemicals and fuels, as well as the chemicals purchased for our facilities, are assessed in terms of their impact on health and safety under the European Union's REACH regulation. We constantly manage safety information on the products we produce, use and commercialise, taking into account their hazards and how to handle them safely. Dialogue with customers and suppliers is carried out systematically in order to promote the exchange of information on the dangers of products and the risk management measures to be applied depending on their use. Our employees and service providers are informed about the dangers of the products on our premises and how to handle them safely. We use Safety Data Sheets and packaging labelling as a privileged vehicle for communicating safety information about the products we sell, highlighting the dangers they present and the safest way to handle them. • Galp website – Sustainability – Safest energy company in the world	11-3	✓	-	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	0 (zero) cases. Galp had no record of this type of situation in 2023.		✓	-	16
	Aspect: Marketing and Labelling 2016					-
417-1	Requirements for product and service information and labelling	100% of the products produced by Galp and with the Galp brand, mostly lubricants, chemicals and fuels, have labelling instructions, in accordance with what is applicable under the CLP regulation of the European Union. We permanently manage the information on the labelling of the products we produce, use and sell, taking into account the requirements of the CLP regulation. Dialogue with customers and suppliers is carried out systematically, in order to promote the exchange of information about our products, ensuring alignment with the Safety Data Sheets of each product and communicating the risk management measures according to their uses. • Galp website – Sustainability – Safest energy company in the world	-	✓	-	12; 16
417-2	Incidents of non-compliance concerning product and service information and labelling	0 (zero) cases. Galp had no record of this type of situation in 2023.	-	✓	-	16
417-3	Incidents of non-compliance concerning marketing communications	0 (zero) cases. Galp had no record of this type of situation in 2023.		✓	-	-
	Aspect: Customer Privacy 2016					-
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1 (one) case identified. In 2023, an incident occurred involving the loss of data from a phone call with customers. However, this is still pending conclusion by the National Data Protection Commission. Galp has already assessed the consequences of the incident, with no breaches of data integrity or confidentiality. Galp has also evaluated measures to implement to minimize the impact of this incident.	-	✓	-	-

HR Annex

Notes: Gestes – Employees of the service stations.

GRI 2-7 Employees

	2023
Total no. of Employees	**7,054**
Distribution by gender	
Male	3,859
Female	3,195
Distribution by age	
<30 years	894
30-50 years	4,382
>50 years	1,778
Distribution by business segment	
Upstream	108
Industrial & Midstream	1,259
Commercial	4,665
Renewables, Innovation & New businesses	140
Others	882
Distribution by region and gender	
Portugal	3,843
Male	2,311
Female	1,532
Spain	2,591
Male	1,091
Female	1,500
Brazil	115
Male	65
Female	50
Africa	496
Male	388
Female	108
Rest of the world	9
Male	4
Female	5
No. of Employees by type of contract	
Fixed-term contract	**477**
Gestes	371
Non-gestes	106
Male	230
Female	247
Africa	7
Brazil	1
Spain	219
Portugal	250
Rest of the world	0
Indefinite duration contract	**91**
Gestes	61
Non-gestes	30
Male	49
Female	42
Africa	24
Brazil	0
Spain	0
Portugal	67
Rest of the world	0
Permanent contract	**6,461**
Gestes	2,773
Non-gestes	3,688
Male	3,565
Female	2,896
Africa	465
Brazil	114
Spain	2,372
Portugal	3,501
Rest of the world	9

	2023
Part-time contract	**25**
Gestes	25
Non-gestes	0
Male	15
Female	10
Africa	0
Brazil	0
Spain	0
Portugal	25
Rest of the world	0
No. of Employees by type of working hours	
Part-time	**175**
Male	43
Female	132
Africa	0
Brazil	0
Spain	145
Portugal	30
Rest of the world	0
Full-time	**6,879**
Male	3,816
Female	3,063
Africa	496
Brazil	115
Spain	2,446
Portugal	3,813
Rest of the world	9
Average seniority in service	**12**
Female	11
Male	13
Average permanent employee	**7,076**
Female	3,202
Male	3,874

GRI 401-1 Total number and rates of new hires of employees and employee turnover by age group, gender and region

Entries and new hires rate

	2023
Entries (with gestes)	**1,002**
<30 years	**419**
Female	200
Africa	6
Brazil	3
Spain	65
Portugal	126
Rest of the world	0
Male	219
Africa	3
Brazil	1
Spain	68
Portugal	147
Rest of the world	0
30-50 years	**506**
Female	271
Africa	5
Brazil	7
Spain	139
Portugal	120
Rest of the world	0
Male	235
Africa	15
Brazil	14
Spain	69
Portugal	137
Rest of the world	0
>50 years	**77**
Female	44
Africa	0
Brazil	3
Spain	23
Portugal	18
Rest of the world	0
Male	33
Africa	1
Brazil	2
Spain	13
Portugal	17
Rest of the world	0
Entries (without gestes)	**392**
<30 years	**145**
Female	62
Africa	6
Brazil	3
Spain	7
Portugal	46
Rest of the world	0
Male	83
Africa	2
Brazil	1
Spain	15
Portugal	65
Rest of the world	0
30-50 years	**229**
Female	84
Africa	4
Brazil	7
Spain	14
Portugal	59
Rest of the world	0
Male	145
Africa	13
Brazil	14
Spain	21
Portugal	97
Rest of the world	0
>50 years	**18**
Female	6
Africa	0
Brazil	3
Spain	2
Portugal	1
Rest of the world	0
Male	12
Africa	1
Brazil	2
Spain	0
Portugal	9
Rest of the world	0
New hires rate (with gestes)	**14.16%**
<30 years	**48%**
Female	48%
Africa	30%
Brazil	38%
Spain	40%
Portugal	55%
Male	48%
Africa	14%
Brazil	25%
Spain	46%
Portugal	53%
30-50 years	**12%**
Female	14%

	2023
Africa	8%
Brazil	17%
Spain	15%
Portugal	13%
Male	10%
Africa	6%
Brazil	27%
Spain	12%
Portugal	9%
>50 years	**4%**
Female	5%
Africa	0%
Brazil	60%
Spain	5%
Portugal	5%
Male	3%
Africa	1%
Brazil	17%
Spain	4%
Portugal	4%
New hires rate (without gestes)	**10.34%**
<30 years	**40%**
Female	37%
Africa	33%
Brazil	38%
Spain	28%
Portugal	40%
Male	42%
Africa	12%
Brazil	25%
Spain	41%
Portugal	47%
30-50 years	**9%**
Female	10%
Africa	7%
Brazil	17%
Spain	10%
Portugal	10%
Male	9%
Africa	7%
Brazil	27%
Spain	12%
Portugal	8%
Rest of the world	0%
>50 years	**2%**
Female	2%
Africa	0%
Brazil	60%
Spain	3%
Portugal	0%
Male	2%
Africa	1%
Brazil	17%
Spain	0%
Portugal	2%

Departures and Turnover rate

	2023
Departures (with gestes)	**663**
<30 years	**191**
Female	80
Africa	1
Brazil	0
Spain	32
Portugal	47
Rest of the world	0
Male	111
Africa	4
Brazil	0
Spain	35
Portugal	72
Rest of the world	0
30-50 years	**331**
Female	179
Africa	0
Brazil	5
Spain	106
Portugal	68
Rest of the world	0
Male	152
Africa	9
Brazil	10
Spain	57
Portugal	75
Rest of the world	1
>50 years	**141**
Female	58
Africa	1
Brazil	0
Spain	38
Portugal	19
Rest of the world	0
Male	83
Africa	14
Brazil	0
Spain	39
Portugal	30
Rest of the world	0
Departures (without gestes)	**236**
<30 years	**42**

	2023
Female	18
Africa	1
Brazil	0
Spain	4
Portugal	13
Rest of the world	0
Male	24
Africa	1
Brazil	0
Spain	11
Portugal	12
Rest of the world	0
30-50 years	**129**
Female	51
Africa	0
Brazil	5
Spain	16
Portugal	30
Rest of the world	0
Male	78
Africa	3
Brazil	10
Spain	18
Portugal	47
Rest of the world	1
>50 years	**65**
Female	17
Africa	1
Brazil	0
Spain	3
Portugal	13
Rest of the world	0
Male	48
Africa	12

	2023
Brazil	0
Spain	9
Portugal	27
Rest of the world	0
Turnover rate (with gestes)	**9.37%**
Region	
Africa	5.84%
Brazil	12.50%
Spain	11.62%
Portugal	8.17%
Rest of the world	12.50%
Gender	
Male	8.93%
Female	9.90%
Age and Region	
<30 years	21.83%
Africa	11.90%
Brazil	0.00%
Spain	21.54%
Portugal	23.38%
30-50 years	7.55%
Africa	2.92%
Brazil	16.30%
Spain	10.77%
Portugal	5.80%
Rest of the world	0.00%
>50 years	7.76%
Africa	10.20%
Brazil	0.00%
Spain	9.41%
Portugal	5.89%
Rest of the world	0.00%

	2023
Turnover rate (without gestes)	**6.25%**
Region	
Africa	4.35%
Brazil	12.40%
Spain	11.51%
Portugal	5.22%
Rest of the world	12.50%
Gender	
Male	6.10%
Female	6.53%
Age and Region	
<30 years	11.54%
Africa	5.71%
Brazil	0.00%
Spain	24.19%
Portugal	9.80%
30-50 years	5.15%
Africa	1.20%
Brazil	16.30%
Spain	10.59%
Portugal	4.14%
Rest of the world	25.00%
>50 years	7.20%
Africa	10.00%
Brazil	0.00%
Spain	8.11%
Portugal	6.61%
Rest of the world	0.00%
Turnover rate – voluntary departure	**4.11%**

GRI 403-9 Work-related injuries

Fatalities, Work-related injuries and Hours worked

	2023
Employees (number)	
Fatalities as a result of work-related injury	**1**
Female	0
Male	1
High-consequence work-related injuries	**0**
Female	0
Male	0
Geography	
South America	0
Africa	0
Europe	0
Business Segment	
Upstream	0
Industrial & Midstream	0
Commercial	0
Renewables, Innovation & New businesses	0
Corporate	0
Recordable work-related injuries	**28**
Female	13
Male	15
Geography	
South America	0
Africa	4
Europe	24
Business Segment	
Upstream	0
Industrial & Midstream	6
Commercial	18
Renewables, Innovation & New businesses	2
Corporate	2
Hours worked	**12,235,547.46**
Female	5,340,582.63
Male	6,894,964.83
Geography	
South America	353,450.94
Africa	1,057,583.00
Europe	10,824,513.52
Business Segment	
Upstream	400,195
Industrial & Midstream	2,317,377
Commercial	8,047,906.72
Renewables, Innovation & New businesses	205,900.24
Corporate	1,264,168.50
Employees (rates)	
Fatalities as a result of work-related injury	**0.08**
Female	0.00
Male	0.15
High-consequence work-related injuries	**0.00**
Female	0.00
Male	0.00
Geography	
South America	0.00
Africa	0.00
Europe	0.00
Business Segment	
Upstream	0.00
Industrial & Midstream	0.00
Commercial	0.00
Renewables, Innovation & New businesses	0.00
Corporate	0.00
Recordable work-related injuries	**2.29**
Female	2.43
Male	2.18
Geography	
South America	0.00
Africa	3.78
Europe	2.22
Business Segment	
Upstream	0.00
Industrial & Midstream	2.59
Commercial	2.24
Renewables, Innovation & New businesses	9.71
Corporate	1.58
Contractors (number)	
Fatalities as a result of work-related injury	**0**
Female	0
Male	0
High-consequence work-related injuries	**0**
Female	0
Male	0
Geography	
South America	0
Africa	0
Europe	0
Business Segment	
Upstream	0
Industrial & Midstream	0
Commercial	0
Renewables, Innovation & New businesses	0
Corporate	0
Recordable work-related injuries	**41**
Female	5
Male	36
Geography	
South America	0
Africa	2

	2023
Europe	39
Business Segment	
Upstream	2
Industrial & Midstream	27
Commercial	4
Renewables, Innovation & New businesses	8
Corporate	0
Hours worked	**16,573,211.54**
Female	1,800,716.42
Male	14,772,495.12
Geography	
South America	93,897.00
Africa	1,923,493.00
Europe	14,555,821.54
Business Segment	
Upstream	317,901.00
Industrial & Midstream	9,014,870.40
Commercial	6,067,356.00
Renewables, Innovation & New businesses	851,798.00
Corporate	321,286.14
Contractors (rates)	
Fatalities as a result of a work-related injury	**0.00**
Female	0.00
Male	0.00
High-consequence work-related injuries	**0.00**
Female	0.00
Male	0.00
Geography	
South America	0.00
Africa	0.00
Europe	0.00
Business Segment	
Upstream	0.00
Industrial & Midstream	0.00

	2023
Commercial	0.00
Renewables, Innovation & New businesses	0.00
Corporate	0.00
Recordable work-related injuries	**2.47**
Female	2.78
Male	2.44
Geography	
South America	0.00
Africa	1.04
Europe	2.68
Business Segment	
Upstream	6.29
Industrial & Midstream	3.00
Commercial	0.66
Renewables, Innovation & New businesses	9.39
Corporate	0.00

Main types of work-related injuries (Employees and contractors)

In 2023, there were 69 accidents with sick leave (28 with employees, including 1 fatality, and 41 with service providers). The top 3 typologies of these accidents were: same-level falls, overexertion or strain and collisions with objects.

Hazards that pose a risk of high-consequence injury (Employees and contractors)

All accidents are investigated in accordance with an internal standard, which requires a detailed investigation to identify immediate and root causes. Once the causes have been identified, the investigation team proposes the respective corrective actions aimed at resolving the root cause(s) identified. The top 3 root causes were: work planning, procedures and tools and equipment.

Actions taken or underway to eliminate these hazards and minimise risks using the hierarchy of controls

We act in accordance with safety best practices, making use of the most recognised international guidelines, guaranteeing the integrity of assets, at all phases of their life cycle. In addition, Galp assumes the skills and the empowerment of its employees and partners as a basic condition for the fulfilment of its commitment and responsibility regarding safety. We also work continuously to strengthen our safety culture. Despite this, in 2023, we registered 1 fatal accident, it being a road accident involving a head-on collision resulting in the death of a worker transporting fuel in Guinea Bissau.

Other information (Employees and contractors)

2023
In all accidents, an investigation verification checklist is applied, which evaluates numerous aspects, such as whether the causes were correctly identified and subsequently the definition of corrective actions that prevent the identified causes. Each accident has an independent investigation and the actions developed/proposed are defined considering the hierarchy of controls and the place/Business Unit where the accident happened.

LTIF – Lost-Time Injuries Frequency and TRIR – Total Recordable Injuries Rate

	2023
LTIF – Lost- Time Injuries Frequency	
LTIF – Galp employees	1.55
LTIF – Contractors	1.63
LTIF – Total	**1.60**
TRIR – Total Recordable Injuries Rate	
TRIR – Galp employees	2.37
TRIR – Contractors	2.47
TRIR – Total	**2.43**

Absenteeism

	2023
Absence days – absenteeism	**107,914**
Male	42,399
Africa	2,699
Brazil	5
Spain	22,312
Portugal	17,383
Female	65,515
Africa	434
Brazil	23
Spain	42,992

	2023
Portugal	22,066
Absenteeism rate	
Africa	2.60%
Brazil	0.10%
Spain	10.21%
Portugal	4.28%
Male	4.52%
Africa	2.85%
Brazil	0.03%
Spain	8.26%
Portugal	3.13%
Female	8.45%
Africa	1.69%
Brazil	0.18%
Spain	11.63%
Portugal	6.04%
Absenteeism rate – Value Galp	**6.30%**

GRI 403-10: Work-related ill health

Work-related ill health

	2023
Employees (number)	
Fatalities as a result of work-related ill health	**0**
Female	0
Male	0
Work-related ill health participated	**1**
Female	1
Male	0
Work-related ill health declared/certified	**0**
Female	0
Male	0

	2023
Main types of work-related ill health	
Musculoskeletal injuries.	
Work-related hazards that pose a risk of ill health	
Repetitive movements, inappropriate postures, extreme efforts or movements, use of equipment with a display; ergonomic risks.	
How they have been determined	
According to the risk chart drawn up by Security and IBPMS, and in consultation with a doctor.	
Which have caused or contributed to cases of ill health	
Cumulative traumatic injuries.	
Actions taken or underway to eliminate these hazards and minimise risks	
Ergonomic improvements to equipment, adaptation of work equipment, replacement of work furniture, reorganisation/restructuring of the workplace, training/information for workers, health monitoring, implementation of breaks.	
Workers excluded	
In the process, we do not exclude any employees. All patients with occupational diseases (that we are aware of) were seen and treated accordingly. In addition, only employees on long-term absence may not be evaluated for the reason for their absence.	

GRI 404-1: Other training indicators

	2023
Total investment in training (€)	**3,555,485**
Total investment in training/Employee (€/employee)	**504**
Training per area (hours)	**223,711**
Training per area (%)	**100%**
Technical (hours)	45,773
Technical (%)	20.46%
Behavioural and leadership (hours)	28,008
Behavioural and leadership (%)	12.52%
Human Resources (hours)	8,025
Human Resources (%)	3.59%
Languages (hours)	29,395
Languages (%)	13.14%
EQS (hours)	58,073
EQS (%)	25.96%
General management (hours)	9,305
General management (%)	4.16%
Accounting and finance (hours)	5,972
Accounting and finance (%)	2.67%
Commercial marketing management (hours)	13,849
Commercial marketing management (%)	6.19%
IT Systems (hours)	10,922
IT Systems (%)	4.88%
Legal (hours)	2,478
Legal (%)	1.11%
Provision & Logistics (hours)	1,308
Provision & Logistics (%)	0.58%
Administrative and secretarial (hours)	540
Administrative and secretarial (%)	0.24%
Others (hours)	10,064
Others (%)	4.50%

GRI 405-1: Composition of the groups responsible for governance and break down of employees by functional category, according to gender, age group, minorities and other diversity indicators

	2023
Senior Grade	**313 | 4%**
Male	221 | 71%
Female	92 | 29%
<30 years	0 | 0%
30-50 years	201 | 64%
>50 years	112 | 36%

	2023
Portuguese	246 | 79%
Other Nationalities	67 | 21%
Middle Grade	**728 | 10%**
Male	454 | 62%
Female	274 | 38%
<30 years	6 | 1%
30-50 years	545 | 75%
>50 years	177 | 24%
Portuguese	574 | 79%
Other Nationalities	154 | 21%
Other grades	**6,013 | 85%**
Male	3,184 | 53%
Female	2,829 | 47%
<30 years	888 | 15%
30-50 years	3,636 | 60%
>50 years	1,489 | 25%
Portuguese	2,855 | 47%
Other Nationalities	3,158 | 53%
No. employees per nationalities	
Brazilian	205
Cape Verdean	268
Spanish	2,394
Gambian	0
Guinean	108
Mozambican	98
Portuguese	3,675
Others	306
Total no. of nationalities	**52**
Disability above 60% - Portugal	**47**
Female	20
Male	27
Disability above 33% - Spain	**41**
Female	22
Male	19

	2023
Disability above 60% - Other geographies	**1**
Female	0
Male	1

SASB Reporting 2023

Statement of use	Galp has reported the information cited in this SASB Report for the period of January 1st 2023 to December 31st 2023 with reference to the SASB Standards.
SASB used	SASB Oil & Gas Exploration & Production standard, SASB Midstream standard and SASB Refining and Marketing standard.

- IR 2023: Integrated Management Report 2023

SASB Code[1]	Metrics	2023	Reference	Additional details
Greenhouse gas emissions				
EM-EP-110a.1 EM-MD-110a.1 EM-RM-110a.1	Gross Global Scope 1 emissions ($mtCO_2e$)	3.0 [i]	IR 2023: Part II – 1. Our decarbonisation journey	
EM-EP-110a.1 EM-MD-110a.1	Scope 1, percentage methane (%)	0.85 [i]	IR 2023: Part II – 1. Our decarbonisation journey	
EM-EP-110a.1 EM-MD-110a.1 EM-RM-110a.1	Scope 1, percentage covered under emissions-limiting regulations (%)	79	-	
EM-EP-110a.2	Amount of gross global Scope 1 emissions from flared hydrocarbons ($ktCO_2e$)	318 [i]	-	
	Amount of gross global Scope 1 emissions from other combustion ($ktCO_2e$)	1,825 [i]	-	
	Amount of gross global Scope 1 emissions from process emissions ($ktCO_2e$)	857 [i]	-	
	Amount of gross global Scope 1 emissions from other vented emissions ($ktCO_2e$)	0	-	
	Amount of gross global Scope 1 emissions from fugitive emissions ($ktCO_2e$)	6 [i]	-	
EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	IR 2023: Part II – 1. Our decarbonisation journey	
Air quality				
EM-EP-120a.1 EM-MD-120a.1 EM-RM-120a.1	Air emissions of the following pollutants: NOx (excluding NO_2) (t)	918 [i]	IR 2023: Part II – 2. Biodiversity, Water, Circular economy	
	Air emissions of the following pollutants: SOx (t)	1,394 [i]	IR 2023: Part II – 2. Biodiversity, Water, Circular economy	
	Air emissions of the following pollutants: volatile organic compounds (VOCs) (t)	-	IR 2023: Part II – 1. Our decarbonisation journey	
	Air emissions of the following pollutants: particulate matter (t)	13 [i]	IR 2023: Part II – 2. Biodiversity, Water, Circular economy	
EM-RM-120a.2	Number of refineries in or near areas of dense population	0	-	
Water management				
EM-EP-140a.1 EM-RM-140a.1	Total fresh water withdrawn (thousand m^3)	9,032 [i]	IR 2023: Part II – 2. Biodiversity, Water, Circular economy GRI 303-3	
	Percentage of fresh water withdrawn in regions with High or Extremely High Baseline Water Stress (%)	91 [i]	IR 2023: Part II – 2. Biodiversity, Water, Circular economy GRI 303-3	

SASB Code[1]	Metrics	2023	Reference	Additional details
	Total fresh water consumed (thousand m^3)	3,017 [i]	GRI 303-3, GRI 303-4	
	Percentage of fresh water consumed in regions with High or Extremely High Baseline Water Stress (%)	92 [i]	GRI 303-3, GRI 303-4	
EM-EP-140a.2	Volume of produced water and flowback generated (thousand m^3)	n.a.	-	The water produced by the "Upstream" segment occurs only in blocks not operated by Galp
	Percentage discharged (%)			
	Percentage injected (%)			
	Percentage recycled (%)			
	Hydrocarbon content in discharged water (t)			
EM-EP.140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used (%)	n.a.	-	Not verified in the blocks where Galp participates in 2023
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline (%)	n.a.	-	Not verified in the blocks where Galp participates in 2022
EM-RM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	0 [i]	GRI 2-27	Galp did not submit any files, enforcement orders, and/or penalties for water-related regulatory violations
Hazardous Materials Management				
EM-RM-150a.1	Amount of hazardous waste generated (t)	24,776 [i]	GRI 306-3	
	Percentage recycled (%)	47 [i]	GRI 306-3	Considering the total waste, the percentage recycled is 53%
	Number of underground storage tanks (USTs)	5,625	-	Galp has 5,625 UST in gas stations located in Portugal and Spain.
EM-RM-150a.2	Number of UST releases requiring cleanup	0	-	In 2023, no UST releases requiring cleanup were reported.
	Percentage in states with UST financial assurance funds (%)	n.a.	-	In 2023, no UST incidents were reported
Biodiversity and Ecological Impacts				
EM-EP-160a.1 EM-MD-160a.1	Description of environmental management policies and practices for active sites	-	IR 2023: Part II – 2. Biodiversity, Water, Circular economy	
EM-EP-160a.2 EM-MD-160a.4	Number of hydrocarbon spills	5 [i]	IR 2023: Part II – 2. Biodiversity, Water, Circular economy	5 significant primary containment losses that impacted the environment
	Volume of hydrocarbon spills (bbls)	30 [i]	IR 2023: Part II – 2. Biodiversity, Water, Circular economy	4.8 m^3 (c. 30 bbls) impacted the environment (26% of the total volume of significant hydrocarbon spills)
	Volume in Arctic (bbls)	0		
	Volume impacting shorelines with ESI rankings 8-10 (bbls)	0		
	Volume in Unusually Sensitive Areas (USAs) (bbls)	0		
	Volume recovered (bbls)	86 [i]		13.7 m^3 (c. 86 bbls) out of the total 19.3 m^3 released, where recovered

SASB Code[1]	Metrics	2023	Reference	Additional details
EM-EP-160a.3	Percentage of proved reserves in or near sites with protected conservation status or endangered species habitat (%)	0	Analysis of risks associated with nature – Assessment 2023	There are no E&P blocks in situ or within a 5km radius from an IUCN protected area.
	Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat (%)	n.a.	-	Galp does not disclose this information for probable reserves
EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat (%)	33	Analysis of risks associated with nature – Assessment 2023	Only 6% is in situ or within a IUCN Category I-IV Protected Area
EM-MD-160a.3	Terrestrial acreage disturbed (ac)	n.a.		Galp does not publicly disclose this information
	Percentage of impacted area restored (%)	n.a.		Galp does not publicly disclose this information
Security, Human Rights & Rights of Indigenous Peoples				
EM-EP-210a.1	Percentage of proved reserves in or near areas of conflict (%)	0	-	
	Percentage of probable reserves in or near areas of conflict (%)	0	-	
EM-EP-210a.2	Percentage of proved reserves in or near indigenous land (%)	0	-	
	Percentage of probable reserves in or near indigenous land (%)	0	-	
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	-	IR 2023: Part II – 3. People, Communities, Human Rights	
Community Relations				
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	-	IR 2023: Part II – 3. People, Communities, Human Rights HSSE Specific Requirements in Projects	
EM-EP-210b.2	Number and duration of non-technical delays	-	The security situation improved favourably during the year 2023 in Mozambique. Therefore, it is expected that Area 1 will lift Force Majeure during the 1st quarter of 2024, consequently leading to the lifting of Force Majeure in Area 4 as well. In this regard, the Operator is confident that the existing schedule will be met, assuming the entry into FEED in the 2nd quarter of 2024, FID in Q4 2025, and first gas in 2029. However, as known, the lifting of Force Majeure is critical and uncontrollable by the partners in Area 4. Galp has information that Area 1 is in commercial negotiations with contractors to resume the project, and once an agreement is reached, Force Majeure should be lifted.	
Workforce Health & Safety				
EM-EP-320a.1 EM-RM-320a.1	Total recordable incident rate (TRIR)	2.4 [i]	IR 2023: Part II – 4. Protect and empower our people GRI 403-9	Galp reports Total recordable incident count / million hours worked
	Fatality rate	- [i]	IR 2023: Part II – 4. Protect and empower our people GRI 403-9	In 2023, we registered 1 fatal accident.
	Near miss frequency rate (NMFR)	9	IR 2023: Part II – 4. Protect and empower our people	In 2023, 259 near misses were reported. Galp reports near misses / million hours worked
	Near miss frequency rate (NMFR) for full-time employees	n.a.	-	Galp does not publicly disclose this information

SASB Code[1]	Metrics	2023	Reference	Additional details
	Near miss frequency rate (NMFR) for contract employees	n.a.	-	
	Near miss frequency rate (NMFR) short-service employees	n.a.	-	
	Average hours of health, safety, and emergency response training for full-time employees (h)	58,073 [i]	GRI 403-5	
	Average hours of health, safety, and emergency response training for contract employees (h)	n.a.	-	Galp does not publicly disclose this information
	Average hours of health, safety, and emergency response training for short-service employees (h)	n.a.	-	Galp does not publicly disclose this information
EM-EP-320a.2 EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	-	Safety, Health and Environment Policy HSSE Specific Requirements in Projects IR 2023: Part II – 4. Protect and empower our people; 5. Promote a value-adding, conscious business	
Product Specifications & Clean Fuel Blends				
EM-RM-410a.1	Percentage of Renewable Volume Obligation (RVO) met through production of renewable fuels (%)	-	IR 2023: 3.3. Industrial & Midstream	In 2023, Galp complied with the Renewable Energy Directive (RED), according to national legislation updates, incorporating 11.5% biofuels in its energy content in Portugal, and 10.5% in Spain.
	Percentage of Renewable Volume Obligation (RVO) met through purchase of "separated" renewable identification numbers (RIN) (%)	-	IR 2023: 3.3. Industrial & Midstream	
EM-RM-410a.2	Total addressable market (€)	n.a.	-	Information not available for 2023
	Share of market for advanced biofuels and associated infrastructure (%)	41	-	Value for Portugal, calculated based on the published emission certificates (assuming full incorporation due to the tax incentive) and aligned with the concept of advanced biofuels according to REDII Annex IX-Part A.
Reserves Valuation & Capital Expenditures				
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions (MMbbls)	-	IR 2023: 3.2. Upstream	
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves (tCO^2)	-	-	Galp does not publicly disclose this information
EM-EP-420a.3	Amount invested in renewable energy (m€)	142 [i]	IR 2023: 4.4. Capital Expenditure	
	Revenue generated by renewable energy sales (m€)	n.a.	-	Information not available for 2023
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	-	IR 2023: 2. Strategic framework	
Business Ethics & Transparency				
EM-EP-510a.1	Percentage of proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (%)	0	-	Galp doesn't have any proved or probable reserves located in a country with the 20 lowest rankings in Transparency

SASB Code[1]	Metrics	2023	Reference	Additional details
	Percentage of probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (%)	0	-	
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	-	Corruption Prevention Policy IR 2023: Part II – 5. Promote a value-adding, conscious business	Galp is committed to monitor the evolution of best practices on the prevention of corruption risk in order to achieve continuous improvement
Competitive Behaviour				
EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations (€)	0 [i]	GRI 2-27	Galp has 0 cases identified of Nonconformities with laws and regulations in the socioeconomic area associated with federal pipeline and storage regulations.
Pricing Integrity & Transparency				
EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation (€)	0 [i]	GRI 2-27 GRI 206-1	Galp has 0 cases identified of Nonconformities with laws and regulations in the socioeconomic area associated with price fixing or price manipulation.
Management of the Legal & Regulatory Environment				
EM-EP-530a.1 EM-RM-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	-	IR 2023: Part II – 3. People, Communities, Human Rights; 5. Promote a value-adding, conscious business	
Critical Incident Risk Management				
EM-EP-540a.1 EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	0.07 [i]	IR 2023: Part II – 4. Protect and empower our people GRI 306-3	Galp reports Total Tier 1 PSE count / million hours worked
EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) lesser consequence (Tier 2)	0.21 [i]	IR 2023: Part II – 4. Protect and empower our people GRI 306-3	Galp reports Total Tier 2 PSE count / million hours worked
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	-	IR 2023: Part II – 4. Protect and empower our people	
EM-RM-540a.2	Challenges to Safety Systems indicator rate (Tier 3)	2.1 [i]	GRI 306-3	Galp reports Total Tier 3 PSE count / million hours worked
EM-RM-540a.3	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	-		Galp does not publicly disclose this information
Operational Safety, Emergency Preparedness & Response				
EM-MD-540a.1	Number of reportable pipeline incidents	n.a.		Galp does not publicly disclose this information
	Percentage of significant reportable pipeline incidents (%)	n.a.		
EM-MD-540a.2	Percentage of natural gas pipelines inspected (%)	n.a.		Galp does not publicly disclose this information
	Percentage of hazardous liquid pipelines inspected (%)	n.a.		
EM-MD-540a.3	Number of accident releases from rail transportation	n.a.		Galp does not publicly disclose this information
	Number of non accident releases (NARs) from rail transportation	n.a.		
EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	-	Safety, Health and Environment Policy IR 2023: Part II – 4. Protect and empower our people Galp website: Safest energy company in the world	Galp is committed to create conditions for the organisation to remain continuously prepared to respond to emergencies in an effective manner.

SASB Code[1]	Metrics	2023	Reference	Additional details
Activity Metrics				
EM-EP-000.A	Production of oil (kboepd)	101.8	IR 2023: 3.2. Upstream (Production overview in 2023)	
	Production of natural gas (kboepd)	20.5	IR 2023: 3.2. Upstream (Production overview in 2023)	
	Production of synthetic oil (Mbbl/day)	n.a.		Not applicable
	Production of synthetic gas (MMscf/day)	n.a.		Not applicable
EM-EP-000.B	Number of offshore sites	19 [i]	IR 2023 – 3.2. Upstream (Current Upstream project portfolio)	This number refers to projects
EM-EP-000.C	Number of terrestrial sites	0 [i]	IR 2023 – 3.2. Upstream (Current Upstream project portfolio)	
EM-MD-000.A	Total metric ton kilometers of natural gas transported, by mode of transport	n.a.		Value not available
	Total metric ton kilometers of crude oil transported, by mode of transport	n.a.		The transportation of crude oil is made by a third-party
	Total metric ton kilometers of refined petroleum products transported, by mode of transport	n.a.		Value not available
EM-RM-000.A	Refining throughout of crude oil and other feedstocks (mboe)	78.9 [i]	IR 2023: 3.3. Industrial & Midstream (2023 Highlights)	
EM-RM-000.B	Refining operating capacity (million bpd)	0.226 [i]	IR 2023: 1.2 Value creation	

[1] The table contains a SASB code column to identify common reporting elements between the related SASB Standards. As reflected in the table, Galp currently discloses data on several issues recommended in the SASB Oil & Gas Exploration & Production, Midstream and Refining and Marketing Standards. The Exploration and Production indicators refers to blocks operated by Galp.
[i] Verified by third-party

WEF Stakeholder Capitalism Metrics 2023

Statement of use	Galp has reported the information aligned with the requirements of the core metrics from WEF Measuring Stakeholder Capitalism Report and refers to the period of January 1st 2023 to December 31st 2023.

- IR 2023: Integrated Management Report 2023

Theme	Core metrics and disclosures	Description	Reference or Content
Principles of Governance			
Governing purpose	Setting purpose	The Company's stated purpose, as the expression of how a business proposes solutions to economic, environmental, and social issues.	IR 2023: Part I – 1.2. Value creation; 1.3. Galp in the capital markets
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	IR 2023: Part I – 5.1. Governance model; 5.2. Corporate bodies; Part II – 5. Promote a value-adding, conscious business
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the Company, how the topics were identified and how the stakeholders were engaged.	IR 2023: Part I – 2. Strategic framework
Ethical behaviour	Anti-corruption	Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region.	GRI 205-2
		Total number and nature of incidents of corruption confirmed during the current year but related to previous years.	Galp registered no corruption cases this year regarding previous years.
		Total number and nature of incidents of corruption confirmed during the current year, related to this year.	GRI 205-3
		Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture to combat corruption.	IR 2023: Part II – 5. Promote a value-adding, conscious business Galp website – Sustainability – Transparency and ethics as key principles
	Protected ethics advice and reporting mechanisms	Description of the internal and external mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity and reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	GRI 2-26
Risk and opportunity oversight	Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the Company specifically (as opposed to generic sector risks), the Company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes.	IR 2023: Part I – 2.2. Sustainable framework, 2.4. How we manage risk, 5. Corporate governance, Part III – Corporate governance report – Information on the Company's shareholding structure, organisation and governance: C- Internal organisation, III – Internal control and risk management CDP Climate Change 2023: C1. Governance: C1.1, C1.1a

Theme	Core metrics and disclosures	Description	Reference or Content
Planet			
Climate change	Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	GRI 305-1, 305-2, 305-3
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	TCFD Recommendations 2023
Nature loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	IR 2023: Part II – 2. Biodiversity, Water, Circular economy GRI 304-1
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	IR 2023: Part II – 2. Biodiversity, Water, Circular economy GRI 303-3
People			
Dignity and equality	Diversity and inclusion	Percentage of employees per employee category, by age group, gender, and other indicators of diversity (e.g., ethnicity).	GRI 405-1
	Pay equality	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas	GRI 405-2
	Wage level	Ratios of standard entry level wage by gender compared to local minimum wage.	GRI 202-1
		Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	GRI 2-21
	Risks for incidents of child, forced and compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour.	GRI 408-1, 409-1
Health and well-being	Health and safety	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	GRI 403-9
		An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	GRI 403-6
Skills for the future	Training provided	Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).	GRI 404-1
		Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	GRI 404-1 504 €/employee

Theme	Core metrics and disclosures	Description	Reference or Content
Prosperity			
Employment and health generation	Absolute number and rate of employment	Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.	GRI 401-1
		Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	GRI 401-1
	Economic contribution	Direct economic value generated and distributed (EVG&D), on an accrual's basis, covering the basic components for the organisation's global operations, ideally split out by: Revenues, Operating costs, Employee wages and benefits, Payments to providers of capital, Payments to government, Community investment.	GRI 201-1, 201-3
		Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	GRI 201-4
	Financial investment contribution	Total capital expenditures (Capex) minus depreciation, supported by narrative to describe the Company's investment strategy.	IR 2023: Part I – 1.2. Value creation; 1.3. Galp in the capital markets; 4.4. Capital expenditure
		Share buybacks plus dividend payments, supported by narrative to describe the Company's strategy for returns of capital to shareholders.	IR 2023: Part I – 1.3. Galp in the capital markets
Innovation of better products and services	Total R&D expenses	Total costs related to research and development.	IR 2023: Part I – 1.2. Value creation
Community and social vitality	Total tax paid	The total global tax borne by the Company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the Company, by category of taxes.	GRI 207-4 (Galp reports this indicator partially)

3. Supplementary oil and gas information (unaudited)

The following information is presented in accordance with Extractive Activities - Oil & Gas (Topic 932) of the Financial Accounting Standards Board (FASB) and reflects Galp's current portfolio, therefore excluding Angolan upstream assets held for sale in 2023.

Operating income from E&P activities

Operating income from E&P activities by geography, for the years 2023, 2022 and 2021 are as follows:

unit: €k

	Africa	Latin America	Rest of the World	Total
31 December 2023				
Consolidated total contributions				
Sales	119 271	2 774 638	-	2 893 909
Production costs	(99 223)	(83 219)	-	(182 443)
Royalties	(2 488)	(279 446)	-	(281 934)
Other operating costs	(26 376)	(135 330)	-	(161 707)
Exploration costs	(11 785)	(13 248)	-	(25 033)
Depreciations, amortisations and provisions for the period	(24 689)	(499 214)	-	(523 902)
Operating income before tax for the E&P activities	**(45 291)**	**1 764 180**	-	**1 718 890**
Taxes	5 210	(1 008 102)	-	(1 002 892)
Operating income for the E&P activities	**(40 080)**	**756 078**	**-**	**715 998**
31 December 2022				
Consolidated total contributions				
Sales	371 792	3 450 825	-	3 822 616
Production costs	(64 615)	(56 284)	-	(120 899)
Royalties	-	(345 340)	-	(345 340)
Other operating costs	(401)	(244 876)	88	(245 190)
Exploration costs	(43 799)	(12 266)	-	(56 065)
Depreciations, amortisations and provisions for the period	(108 241)	(705 354)	3 017	(810 578)
Operating income before tax for the E&P activities	**154 736**	**2 086 704**	**3 105**	**2 244 544**

unit: €k

	Africa	Latin America	Rest of the World	Total
Taxes	(4 438)	(1 210 080)	(931)	(1 215 449)
Operating income for the E&P activities	**150 298**	**876 624**	**2 173**	**1 029 095**
31 December 2021				
Consolidated total contributions				
Sales	242 548	2 179 977	-	2 422 526
Production costs	(31 143)	(30 616)	-	(61 759)
Royalties	-	(219 188)	-	(219 188)
Other operating costs	(3 984)	(89 077)	(36)	(93 097)
Exploration costs	(4 609)	(75 732)	(19)	(80 359)
Depreciations, amortisations and provisions for the period	(121 614)	(435 465)	1 110	(555 968)
Operating income before tax for the E&P activities	**81 199**	**1 329 900**	**1 056**	**1 412 155**
Taxes	(19 411)	(799 466)	(317)	(819 194)
Operating income for the E&P activities	**61 787**	**530 435**	**739**	**592 961**

Sales from production includes revenues from the production and sale of oil and natural gas.

Production costs include direct production costs associated with blocks which are currently in production, namely costs related to the operation and maintenance of wells, equipment for support facilities for the extraction of oil and gas operations, collecting system and other general and administrative costs related to production. This caption is presented net of income related to leasing of production equipment, registered in companies that are not fully consolidated in the Group.

With effect from 1 January 2019, Galp adopted the accounting standard IFRS 16. This methodology was not applied retroactively to previous years. In October 2023, the IFRS 16 accounting standard was also adopted in relation to Mozambique, with non-technical costs related to the financing and leasing of the unit prior to the IFRS 16 implementation accounted in production costs.

Other operating costs include the responsibility for R&D associated with production activities in Brazil, as well as overhead costs pertaining to areas directly related to exploration and production activities. This caption excludes general corporate overhead costs related to Group companies, in accordance with FASB Topic 932, and includes costs recorded in companies that are not fully consolidated in the amount of €-31,893 k in 2023, €15,110 k in 2022 and €-3,694 k in 2021.

Exploration costs correspond to exploration impairments, namely costs of dry wells or asset impairments following the decision to relinquish exploration licenses, in accordance with the accounting policy described in Note 5 Tangible Assets from the notes to the consolidated financial statements.

Operating income does not include overhead costs and financial costs, in accordance with FASB Topic 932.

The caption "Taxes" includes: Special Participation Tax (SPT) and the extraordinary payment of oil export tax in Brazil as well as the income tax in accordance to the applicable tax laws of each country.

The operational results exclude interest expenses attributable to oil and gas activities.

Capital expenditure in E&P activities

Capital expenditure in E&P activities by geography, for the years 2023, 2022 and 2021 is as follows:

unit: €k

	Africa	Latin America	Rest of the world	Total
31 December 2023				
Consolidated total contributions				
Acquisitions without proved reserves	-	-	-	-
Exploration	118 052	15 560	-	133 612
Development	67 032	384 766	-	451 798
Total incurred in the period	**185 084**	**400 326**	**-**	**585 410**
31 December 2022				
Consolidated total contributions				
Acquisitions without proved reserves	-	-	-	-
Exploration	34 814	19 033	-	53 847
Development	142 368	367 511	-	509 878
Total incurred in the period	**177 181**	**386 544**	**-**	**563 725**
31 December 2021				
Consolidated total contributions				
Acquisitions without proved reserves	-	73 323	-	73 323
Exploration	7 056	(2 373)	118	4 802
Development	112 779	373 035	-	485 815
Total incurred in the period	**119 836**	**443 985**	**118**	**563 939**

Amounts reported include capitalised costs and costs charged to expense when incurred for the acquisition, exploration and development of oil and gas property. The operating costs presented above include drilling and equipment costs for exploration wells and geological and geophysical expenses.

Effective from 1 January 2018, G&G and G&A costs, mainly related to the exploration activity, started to be accounted as operating costs of the period in which they occur, and ceased to be capitalised.

Development costs include drilling costs and equipment for development wells, as well as the construction of related equipment.

Investments are stated in the Group's functional currency. For companies where the functional currency is not the Euro, assets were accounted for at the corresponding exchange rate at the end of the year, in accordance with the accounting policy defined in paragraph 2.1 of the Notes to the consolidated financial statements. In 2023, an exchange rate of 1.11 EUR:USD was considered for assets in Africa and Brazil.

Cumulative investments in E&P activities

Cumulative investments include total expenditure in the acquisition of proved or unproved reserves and in exploration and development activities of blocks in which Galp holds a stake.

Exploration costs are fully capitalised in accordance with Note 5 Tangible Assets from the notes to the consolidated financial statements. Dry wells are recognised as costs and included in the table below, as are impairments. Relinquished blocks are written-off from assets, and consequently, are not included in this information.

Cumulative investments in E&P activities which are reflected in the Group's financial position are as follows:

unit: €k

	Africa	Latin America	Rest of the world	Total
31 December 2023				
Consolidated total contributions				
Assets with proved reserves	227 593	6 772 048	-	6 999 641
Fixed Assets	215 521	5 294 000	-	5 509 520
Work in progress (incomplete wells)	12 073	1 478 049	-	1 490 121
Assets without proved reserves	554 472	161 076	-	715 549
Support equipment	54	2 602	-	2 656
Gross cumulative investment	**782 120**	**6 935 727**	**-**	**7 717 847**
Cumulative amortisations, depreciations and impairments	(97 148)	(3 017 662)	-	(3 114 810)
Net cumulative investments	**684 971**	**3 918 065**	**-**	**4 603 037**
31 December 2022				
Consolidated total contributions				
Assets with proved reserves	2 446 511	4 901 437	-	7 347 949
Fixed Assets	2 197 850	4 045 878	-	6 243 727
Work in progress (incomplete wells)	248 662	855 559	-	1 104 221
Assets without proved reserves	439 921	651 042	-	1 090 963
Support equipment	53 838	8 450	-	62 287
Gross cumulative investment	**2 940 270**	**5 560 929**	**-**	**8 501 199**
Cumulative amortisations, depreciations and impairments	(1 843 419)	(2 238 347)	-	(4 081 766)
Net cumulative investments	**1 096 851**	**3 322 582**	**-**	**4 419 433**

unit: €k

	Africa	Latin America	Rest of the world	Total
31 December 2021				
Consolidated total contributions				
Assets with proved reserves	2 221 527	3 843 828	-	6 065 355
Fixed Assets	2 035 051	3 643 562	-	5 678 613
Work in progress (incomplete wells)	186 476	200 266	-	386 742
Assets without proved reserves	379 517	1 030 290	-	1 409 807
Support equipment	50 698	6 831	-	57 528
Gross cumulative investment	**2 651 742**	**4 880 948**	**-**	**7 532 691**
Cumulative amortisations, depreciations and impairments	(1 599 861)	(1 692 765)	-	(3 292 626)
Net cumulative investments	**1 051 881**	**3 188 183**	**-**	**4 240 065**

Investments were classified in accordance to the following assumptions:

1. Assets with Proved Reserves (PR or 1P): assets related to fields which hold proved reserves at the end of each year.

    1.1. Fixed assets with PR: assets related with fields which hold proved reserves at the end of each year, already producing and subject to depreciation;

    1.2. Work in progress with PR (incomplete wells): assets related with fields with proved reserves at the end of each year, which are not yet in production.

2. Assets without PR: assets related with fields without proved reserves, at the end of each year.

3. Support equipment: basic and administrative equipment allocated to E&P activities.

In the table above, cumulative investments are stated in the Group's functional currency. Regarding companies whose functional currency is not the Euro, assets were updated taking into account the corresponding exchange rate at the end of the year, in accordance with the accounting policy defined in paragraph 2.1 of the notes to the consolidated financial statements.

In 2023, an exchange rate of 1.11 EUR:USD was considered for assets in Africa and Brazil.

Oil and gas reserves

Total proved reserves (1P) on 31 December 2023, 2022 and 2021 which are presented in the tables below, include developed and undeveloped proved reserves. These reserves were determined by the independent entity DeGolyer and MacNaughton (DeMac), whose methodology is in accordance with the PMRS, approved in March 2007 and revised in June 2018 by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

Proven reserves are the quantities of oil that, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be commercially recoverable in accordance with defined economic considerations, operational methods, and government regulations.

Proven reserves include estimated quantities related to production sharing contracts (PSC) that are reported under the net entitlement method (which is subject to fluctuations in commodity prices and recoverable costs), as well as estimated quantities related to concessions (royalty regime) in which the net entitlement corresponds to the working interest. As of December 31, 2023 approximately 5% of the total proved reserves are related to PSC located in Africa.

As required by Topic 932, the economic limit of reserves is based on the average prices of the last 12 months and current costs. The economic cut-off date affects the reserve estimate. Therefore, as prices and cost levels change from year to year, the estimate of proved reserves may also change.

The reference price used to determine the Company's net entitlement reserves, which are those to be developed as per the agreements signed for the exploration and production activity, was $82.6/bbl, $101.2/bbl and $70.8/bbl and corresponds to the average market price of Brent for 2023, 2022 and 2021 respectively.

Reserves associated with blocks in Brazil correspond to 100% of the stake held by Petrogal Brasil in those blocks, since this company is fully consolidated in the Galp Group.

The impacts of PSC (price effect and/or change in recoverable costs) in reserves associated with this type of agreements are reflected in the caption "Revisions of previous estimates".

Oil reserves (1P proved reserves)

unit: kbbl

	Africa	Latin America	Total
2023			
Reserves on 31 December 2022	**2 274**	**293 203**	**295 477**
Developed	2 274	130 950	133 224
Undeveloped	-	162 253	162 253
Extensions and discoveries	-	-	-
Acquisitions and sales	-	-	-
Revisions of previous estimates	157	11 947	12 104
Production	(131)	(37 173)	(37 304)
Reserves on 31 December 2023	**2 300**	**267 977**	**270 277**
Developed	2 300	117 995	120 295
Undeveloped	-	149 982	149 982
2022			
Reserves on 31 December 2021	**16 265**	**316 728**	**332 993**
Developed	12 051	164 086	176 137

unit: kbbl

	Africa	Latin America	Total
Undeveloped	4 214	152 642	156 856
Extensions and discoveries	-	-	-
Acquisitions and sales	-	-	-
Revisions of previous estimates	3 039	13 641	16 680
Production	(4 400)	(37 166)	(41 566)
Reserves on 31 December 2022	**14 913**	**293 203**	**308 116**
Developed	12 975	130 950	143 925
Undeveloped	1 938	162 253	164 191
2021			
Reserves on 31 December 2020	**16 855**	**270 925**	**287 780**
Developed	12 711	170 116	182 827
Undeveloped	4 144	100 809	104 953
Extensions and discoveries	-	67 117	67 117
Acquisitions and sales	-	(106)	(106)
Revisions of previous estimates	3 474	15 674	19 148
Production	(4 065)	(36 882)	(40 947)
Reserves on 31 December 2021	**16 265**	**316 728**	**332 993**
Developed	12 051	164 086	176 137
Undeveloped	4 214	152 642	156 856

Gas reserves (1P proved reserves)

Gas reserves are presented in millions of cubic feet (mmscf), with one barrel of oil equivalent (boe) corresponding to 6,000 cubic feet of gas.

unit: mmscf

	Africa	Latin America	Total
2023			
Reserves on 31 December 2022	**304 231**	**125 663**	**429 894**
Developed	304 231	89 394	393 625
Undeveloped	-	36 269	36 269

unit: mmscf

	Africa	Latin America	Total
Extensions and discoveries	-	-	-
Acquisitions and sales	-	-	-
Revisions of previous estimates	18 276	25 084	43 360
Production	(14 724)	(28 731)	(43 455)
Reserves on 31 December 2023	**307 783**	**122 013**	**429 796**
Developed	307 783	89 359	397 142
Undeveloped	-	32 654	32 654
2022			
Reserves on 31 December 2021	**310 748**	**151 933**	**462 681**
Developed	-	118 161	118 161
Undeveloped	310 748	33 772	344 520
Extensions and discoveries	-	-	-
Acquisitions and sales	-	-	-
Revisions of previous estimates	(5 516)	1 011	(4 505)
Production	(1 001)	(27 284)	(28 285)
Reserves on 31 December 2022	**304 231**	**125 663**	**429 894**
Developed	304 231	89 394	393 625
Undeveloped	-	36 269	36 269
2021			
Reserves on 31 December 2020	**349 081**	**231 961**	**581 042**
Developed	-	149 163	149 163
Undeveloped	349 081	82 798	431 879
Extensions and discoveries	-	-	-
Acquisitions and sales	-	(3 445)	(3 445)
Revisions of previous estimates	(38 333)	(49 727)	(88 060)
Production	-	(26 855)	(26 855)
Reserves on 31 December 2021	**310 748**	**151 933**	**462 681**
Developed	-	118 161	118 161
Undeveloped	310 748	33 772	344 520

Standard measure of discounted future net cash flows

The standard measure of discounted future cash flows has been prepared in accordance with the requirements of Topic 932 of FASB and corresponds to an economic translation of the 1P proved reserves presented in the previous section by the independent entity DeGolyer and MacNaughton (DeMac).

Future cash inflows represent future revenues associated with the production of proved reserves, calculated by applying the average market price of Brent during 2023: $82.6/bbl.

Future production costs correspond to the estimated production costs associated with proved reserves.

Future royalties are estimated considering production revenue.

Future development and abandonment costs correspond to the estimated costs for the development of proved reserves (drilling and installation of production platforms), as well as the estimated costs of field abandonment.

Future income taxes include estimates of oil tax payable in Africa calculated according to the existing PSC (applicable to blocks in Africa and calculated according to the PSA); SPT (applicable to blocks in Brazil) and income taxes, according to tax laws in each country.

The cash flows were calculated in U.S. Dollars and translated into Euros at the average exchange rate of 2023 (1.08 EUR:USD).

unit: €k

	Africa	Latin America	Total
31 December 2023			
Future cash inflows	2 703 497	21 153 621	23 857 118
Future production costs	(605 559)	(3 392 471)	(3 998 031)
Future royalties	(8 136)	(2 622 860)	(2 630 996)
Future development and abandonment costs	(19 600)	(1 824 641)	(1 844 241)
Future net cash flow before tax	**2 070 202**	**13 313 648**	**15 383 851**
Future income tax	(554 156)	(6 581 439)	(7 135 595)
Future net cash flows	**1 516 047**	**6 732 209**	**8 248 256**
Discount factor (10%)	(796 738)	(2 243 310)	(3 040 048)
Standard measure of discounted future cash flows on 31 December 2021	**719 308**	**4 488 900**	**5 208 208**

The principles applied are those required by Topic 932 and do not reflect the expectations of the actual revenues of the reserves nor their present value, and thus do not constitute criteria for investment decision. An estimate of the fair value of reserves should also take into account, among other variables, the recovery of reserves not currently classified as proved, the risks inherent in the estimation of reserves, the expectation of future hydrocarbons price variation and the cost structure, as well as the consideration of an adequate discount factor.

4. Report on payments to public administrations

Under Article 29º-I of the Portuguese Securities Code (following the provisions of Directive 2013/34/EU of the European Parliament and of the Council regarding annual financial statements, consolidated financial statements and related reports of certain types of undertakings, transposed into Portuguese law through Decree-Law No. 98/2015, of June 2)

1. Introduction

Galp believes that values such as accountability and good governance are reinforced by supporting the transparency of revenue flows from oil and gas activities, as such principle allows citisens to access the information they need to hold Public Administrations accountable for the way in which they use funds received through taxes and other frameworks.

Galp has worked with Public Administrations, non-governmental organisations and international agencies to increase transparency, disclosure and accountability of payments made to Public Administrations.

In addition to the Payments stated in this Report, Galp contributes to the economies of the countries in which it operates through other activities on the extractive activity side by making payments to Public Administrations - for example in relation to activities related to the transportation, trading, manufacturing and marketing of products derived from oil and gas. Additionally, Galp contributes to the economies of the countries in which operates by creating employment opportunities, purchasing products and services from local suppliers and undertaking social investment activities.

2. Subject

This Report provides an overview of the Payments (defined below) to Public Administrations (defined below) made by Galp Energia SGPS, S.A., and its subsidiary undertakings (hereinafter together referred to as "Galp"), covering the full year 2023, whenever such companies make payments as a result of their activities of exploration, prospection, discovery, development and extraction of oil, natural gas deposits or other materials (referred to as "Extractive activities").

3. Legislation

This report has been prepared in compliance with the provisions of Article 245-B of the Portuguese Securities Code and its contents in line with the provisions of chapter 10 of the Directive 2013/34/EU of the European Parliament and of the Council regarding the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, transposed into Portuguese law through Decree-Law No. 98/2015 of June 2 (herein together referred to as the "applicable legislation").

4. Reporting entities

This Report includes payments to Public Administrations made by Galp. Excluded from this Report are Payments made by entities over which Galp has joint control and Payments made by entities over which Galp has no operatorship.

5. Public administrations

For the purposes of this report, Public administrations include any national, regional or local authority of a European Union member State or of a third country, and includes any department, agency or entity that is a subsidiary thereof, which includes a national oil company.

6. Project

Payments are reported at project level except those payments that are not attributable to a specific project are reported at entity level.

A "Project" is defined as a set of operational activities which are governed by a single contract, license, lease, concession or similar legal agreement, and forms the basis for payment liabilities to a Public Administration. If such agreements are substantially interconnected, those agreements are to be treated as a single project.

For a fully integrated Project, which does not have a contractual cut off point where a value can be ascribed separately to Extractive activities and to other processing activities, payments to Public Administrations will be disclosed in full.

7. Payments

For the purposes of this Report, a Payment is an amount paid in cash or in kind under the following forms:

Production Entitlements

Include the host government's share of production in the reporting period, derived from projects operated by Galp. This includes the government's share as a sovereign entity or through its participation as an equity or interest holder in projects within its sovereign jurisdiction (home country). Production Entitlements arising from activities or interests outside of the home country are excluded.

Taxes

Taxes paid by Galp on its income, profits or production (which include petroleum income tax in Angola or Corporate income Tax and Special

Participation in Brazil), including those settled by a Public Administration on behalf of Galp under a tax-paid concession. Payments are reported net of refunds. Excluded from this Report are the Taxes on transactions and on consumption (including but not limited to Value Added Taxes), personal income taxes, sales taxes, and property taxes.

Royalties

These are payments for the rights to extract oil and gas resources, typically set at a percentage of revenue less any deductions that may be taken.

Bonuses

These are usually paid upon signing an agreement or a contract, when a commercial discovery of oil and gas is declared, or production has commenced, or another milestone has been reached.

License fees, rental fees, entry fees and other considerations for licenses and/or concessions

Taxes and other Fees paid as consideration for acquiring a license to gain access to an area where Extractive Activities are performed. Excluded from this Report are any Administrative government fees that are not specifically related to Extractive Activities, or to access extractive resources.

Infrastructure improvements

Payments which relate to the construction of infrastructure not substantially dedicated to use in Extractive Activities.

8. Other provisions operatorship

When Galp makes a Payment directly to a Public Administration arising from a Project, the full amount paid is disclosed, even where Galp, as operator, is proportionally reimbursed by its non-operating venture partners through a billing process (cash-call).

Cash and in-kind payments

Payments are reported on a cash basis, meaning that they are reported during the period in which they are paid, as opposed to being reported on an accruals basis (which would mean that they would be reported in the period for which the liabilities arise).

Materiality level

This Report includes all types of Payments to Public Administrations, either on a single payment basis or as part of a series of related payments, provided that these are above €100,000.

Exchange rate

For the purposes of this Report, Payments made in currencies other than Euros are translated based on the annual average foreign exchange rate.

Summary report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
	a	**b**	**c**	**d**	**e**	**f**	
Angola	-	32,694	-	-	-	-	**32,694**
Brazil	-	570,196	280,682	-	775	-	851,653
East Timor	-	-	-	-	-	-	-
Mozambique	-	2,436	-	-	-	-	2,436
Namibia	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-
São Tomé e Príncipe	-	-	-	-	-	-	-
Total	**-**	**605,326**	**280,682**	**-**	**775**	**-**	**886,784**

Report by Country: Angola

Government Report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Governments							
Ministry of Finance	-	32,694	-	-	-	-	32,694
Total	**-**	**32,694**	**-**	**-**	**-**	**-**	**32,694**

Project Report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Block 14	-	3,103	-	-	-	-	3,103
Block 14k	-	115	-	-	-	-	115
Block 32	-	29,476	-	-	-	-	29,476
Total	**-**	**32,694**	**-**	**-**	**-**	**-**	**32,694**

Report by Country: Brazil

Government Report (in Euro)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Governments							
Ministry of Finance	-	570,196	280,682	-	775	-	851,653
Total	**-**	**570,196**	**280,682**	**-**	**775**	**-**	**851,653**

Project Report (in Euro)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Field Tupi	-	552,682	203,086	-	646	-	756,414
Filed Berbigão	-	6,290	-	-	40	-	6,330
Field Sururu	-	11,224	29,854	-	83	-	41,161
Field Sépia	-	-	10,159	-	3	-	10,162
Field Atapu	-	-	6,092	-	2	-	6,094
Field Iracema	-	-	31,492	-	-	-	31,492
Total	**-**	**570,196**	**280,682**	**-**	**775**	**-**	**851,653**

Report by Country: Mozambique

Government Report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Governments							
Ministry of Finance	-	2,436	-	-	-	-	2,436
Total	**-**	**2,436**	**-**	**-**	**-**	**-**	**2,436**

Project Report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Area 4	-	2,436	-	-	-	-	2,436
Total	**-**	**2,436**	**-**	**-**	**-**	**-**	**2,436**

5. Statement of compliance by the members of the Board of Directors

Under the terms and for the purposes of Article 29-G, paragraph 1, subparagraph c) of the Portuguese Securities Code, each of the below-mentioned members of the Board of Directors declares that, to the fullest extent of his/her knowledge, the Integrated Management Report, the financial statements, the legal certification of the accounts and any further accounting documents regarding 2023 were prepared in compliance with the applicable accounting rules, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of Galp and the companies included in the consolidation, and the Integrated Management Report provides a fair view of the development of the business and of the performance and position of Galp and the companies included in the consolidation, and provides a description of the main risks and uncertainties faced by Galp and the companies included in the consolidation in the course of their operations.

Lisbon, April 5, 2024.

The Board of Directors:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-Chairman:

Filipe Silva

Members:

Maria João Carioca

Georgios Papadimitriou

Ronald Doesburg

Rodrigo Vilanova

João Diogo Costa

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Jorge Seabra

Diogo Tavares

Rui Paulo Gonçalves

Cristina Fonseca

Javier Cavada Camino

Cláudia Almeida e Silva

Fedra Ribeiro

Ana Zambelli

6. Report and opinion of the Audit Board

Opinion on the management report and accounts related to 2023

Dear Shareholders,

According to the legislation in force and the Company's By-laws, and under our mandate, we hereby present our opinion on the Integrated Management Report that includes the Corporate Governance Report (which includes the information on remunerations), the non-financial information, the individual and consolidated financial statements and the proposed allocation of net profits presented by the Board of Directors of Galp Energia SGPS, S.A., with regard to the year ended on 31 December 2023.

We have met several times with the Statutory Auditor, monitoring the performance of its supervising role, and have evaluated its performance during 2023.

We have monitored the process of preparation and disclosure of financial statements, as well as the legal certification of the accounts, with particular emphasis on the effects and challenges resulting from the international context. To the best of our knowledge, the Statutory Audit has positively contributed to the integrity of the process of preparing and disclosing financial information.

We have verified and supervised the independence of the Statutory Auditor, in compliance with the applicable law, in particular verifying the adequacy and approving the provision of non-audit services.

We have reviewed the legal certification of the accounts of the Statutory Auditor and the External Auditor's audit report on the individual and consolidated accounts for the year of 2023 which do not express any reservation or emphasis, and with which we agree.

Under the terms and for the purposes of Article 420, paragraph 6 of the Portuguese Companies Code, each of the below indicated members of the Audit Board declares that, to the extent of his/her knowledge, the Integrated Management Report, the financial statements, the legal certification of the accounts, the audit report and any further accounting documents regarding 2023 were prepared in compliance with the applicable accounting rules and gives a true and fair view of the assets, liabilities, financial position and profit or loss of Galp and the companies included in the consolidation. Each member of the Audit Board also states that, to the best of his/her knowledge, the Integrated Management Report includes a fair view of the development of the business and the performance and position of Galp and the companies included in the consolidation and includes a description of the main risks and uncertainties faced, by Galp and the companies included in the consolidation, in their operations.

Under the scope of our duties, we have verified, and further fully declare of our knowledge, that:

- the accounting principles and the metrical criteria are in line with IFRS, as adopted by the European Union, and are adequate to ensure an accurate representation of the assets and results of both the Company and the other companies included in the consolidation;
- the corporate governance chapter of the Integrated Management Report regarding 2023 includes all the information required by paragraph 1 of Article 29.º-H of the Portuguese Securities Code.

Accordingly, taking into consideration the information received from the Board of Directors and of the departments of the Company, as well as the conclusions set out in the legal certification of the accounts and the audit report on the individual and consolidated financial statements, we express our agreement with the Integrated Management Report, which includes the Corporate Governance Report (which presents the information on remunerations), the non-financial information, the individual and consolidated financial statements and the proposal of the allocation of net profits for the financial year of 2023 of Galp Energia, SGPS, S.A., namely taking into account the provisions of Article 32 of the Portuguese Companies Code, so we are of the opinion that there is nothing to hinder their approval at a General Shareholders' Meeting.

Lastly, the Audit Board wishes to express its gratitude to the Board of Directors and to the Executive Committee of Galp Energia, SGPS, S.A., whose continuing cooperation has greatly facilitated the exercise of the Audit Board's duties.

Lisbon, 5 April 2024.

Chairman

José Pereira Alves

Members

Maria de Fátima Geada

Pedro Antunes de Almeida

Annual activity report of the Audit Board for 2023

In accordance with item g) of paragraph 1 of Article 420 of the Portuguese Companies Code (locally known as "Código das Sociedades Comerciais" or "CSC") and item g) of paragraph 1 of Article 8 of the Regulations of the Audit Board of Galp Energia, SGPS, S.A. (hereinafter referred to as "Galp" or the "Company"), the Audit Board hereby presents its report on the supervisory activities performed during 2023.

I. Introduction

According to the corporate governance model implemented by Galp, which consists of the Latin model set out in item a) of paragraph 1 of Article 278 and item b) of paragraph 1 of Article 413, both of the CSC, the Audit Board is responsible for supervising the Company's activities.

The Audit Board currently in office was elected at the general shareholders' meeting held on May 3rd, 2023, for the 2023-2026 term of office, being composed by two independent members (out of three) in view of the criteria set out in paragraph 5 of Article 414 of the CSC.

All members of the Audit Board meet the compatibility criteria for the performance of their duties as laid down in paragraph 1 of Article 414-A of the CSC.

The main duties of the Audit Board stemming from the applicable legislation and the respective Regulations refer to the following key areas:

1. continuous monitoring of the Company's activities, monitoring compliance with the law and Bylaws, and overseeing the Company's management;
2. monitoring compliance with accounting policies and practices, as well as the preparation and disclosure of financial information, and supervising the review/audit of the Company's accounting documents;
3. monitoring the effectiveness of the systems of risk management, internal control, compliance and internal audit, assessing the internal control and audit procedures and any issues that arise directing the consequent recommendations as it may deem fit;
4. monitoring the performance of the corporate governance system
5. receiving and dealing, through the Ethics and Conduct Committee, with communications of irregularities presented by the Company's employees and other stakeholders;
6. annually assess the activity of the Company's Statutory Auditor, as well as monitoring its independence, especially regarding the provision of additional services.

II. Activities performed by the Audit Board in relation to the financial year of 2023

In the course of its duties, the Audit Board had access to all information relating to the Company and its employees, which enabled the appraisal of the performance, of the current situation and of future prospects for the company's development, and had access to all other documents and clarifications from the persons from which they requested.

During 2023, the Audit Board held 15 meetings and approved one resolution through a vote cast by electronic communications. It also implemented various measures in the course of its duties, of which the following are highlighted:

1. Continuous monitoring of the Company's activity, monitoring compliance with the law and the Company's By-laws and overseeing the Company's management

Ongoing monitoring of the Company during 2023 was undertaken, in particular, through meetings with the heads of Galp's corporate centre departments, most regularly the Internal Audit Department, the Compliance function and the Risk Management and Internal Control Department. Further, the Audit Board met with the CEO and the CFO, as well as with other senior managers of the company.

The Audit Board met also quarterly with the Statutory Auditor/External Auditor, the CFO and the head of the Accounting and Tax Department to analyse the Company's accounts.

Further, during 2023, the Audit Board attended all meetings of the Board of Directors, including those where the Company's accounts were analysed, the strategic lines of Galp were debated and updated, the budget for 2024 was approved and the business plan for 2024-2028 was presented, the objectives and levels related to risk-taking were defined and the works developed by its committees were presented.

The access of the Audit Board to the members of the Board of Directors and the Executive Committee, to employees and to the relevant documents of Galp Group's activity was carried out regularly and without constraints, contributing to the inspection of the Company and showing an adequate relationship between the Board Directors, the Executive Committee and the Audit Board.

2. Monitoring compliance with the accounting policies and practices and with the requirements for the preparation and disclosure of financial information and the statutory audit of the accounts

The Audit Board monitored the accounting policies, criteria and practices and the reliability of the financial information based on the information received from the CFO and the Accounting Department

and the reports of the Statutory Auditor/External Auditor for the consideration of quarterly and annual accounts. It also took into account the findings of the audits and of the evaluation procedures performed during the year by the Statutory Auditor and External Auditor, as well as by the Internal Audit department.

The Audit Board reviewed the documents relating to the 2023 audit and the legal certification of the accounts and issued a favourable opinion thereupon.

3. Monitoring and supervising the effectiveness of the internal control system

During 2023, the Audit Board carried out various actions aimed at monitoring, supervising and evaluating the work and adequacy of Galp's internal control, risk management and internal audit system, either based on the reporting of information by the Internal Audit, the Compliance function and Risk Management and Internal Control Departments, or using the internal control report issued by the External Auditor.

During 2023, the Audit Board was informed on a quarterly basis of the status of the implementation of the Internal Control over Financial Reporting (ICFR - locally known as "SCIRF"), with a view to its certification by an external entity.

4. Monitoring and supervising the effectiveness of the risk management system

During 2023, the Audit Board carried out several actions to monitor, supervise and assess the functioning and adequacy of the risk management system, through the quarterly reporting of information by the Risk Management and Internal Control Department, having taken regular note of the situation in matters relating to cybersecurity, of the recommendations of the Risk Management Committee and of the top risks and disaster recovery plans.

The Audit Board approved the annual plan of risk management activities for the next year.

As part of its supervisory duties, the Audit Board was also supervising the implementation by the Company of the principles and policies for the identification and management of key financial and operational risks associated with Galp's business, as well as reviewing the measures in place to monitor, control and disclose the risks, in accordance with the objectives established by the Board of Directors.

At the Audit Board's meeting that took place on 15 December 2023, the Audit Board issued a favourable opinion on the risk analysis conducted by the Risk Management and Internal Control Department and the statement of risk appetite, risk goals and risk levels underlying the Group's 2024-2028 Business Plan, which was presented to the Board of Directors on 19 December 2023.

5. Monitoring and supervising the effectiveness of the internal audit system

The Audit Board supervised the activity carried out by the Internal Audit Department during 2023, through monthly monitoring of the execution of the annual audit activities plan approved by the Audit Board, of the audit work carried out, the follow-up on recommendations and the information on the allocation of resources, having received from this Department monthly reports on the status of the issued recommendations and of the audits carried out.

The Audit Board provided input to the performance evaluation of the Internal Audit Department concerning 2023.

The Risk Management and Internal Control and the Internal Audit Departments verified that the risk management, internal control and internal audit systems were functioning properly and assessed the effectiveness and efficiency of the implementation of controls and mitigation systems. These activities were carried out independently and systematically, and the most significant comments and recommendations were brought to the attention of the Audit Board by the mentioned departments, together with opportunities for improvement and corrective measures.

The Audit Board also assessed the internal compliance, namely in its contribution to the performance of the internal control system and made a positive assessment of it, taking into account its components, the existing controls and the positive evolution recorded throughout 2023.

The Audit Board also believes that the Risk Management and Internal Control and the Internal Audit Department's plan of activities, the assessment of the system of internal control and the use of the resources allocated were performed efficiently and in compliance with the established procedures.

On December 12th, 2023, the members of the Audit Board met with the members of the Audit Committee of the Board of Directors, to discuss the Annual Internal Audit Plan for 2024.

6. Monitoring the performance of the corporate governance system

During 2023, the Audit Board monitored the performance of the corporate governance system and its compliance with legal provisions and regulations and the Company's bylaws, and monitored legislative and regulatory developments in matters of corporate governance.

Also in the context of monitoring corporate governance matters, the Audit Board analysed the Corporate Governance Report for the 2023 financial year, having confirmed that this report includes the elements provided for in paragraph 1 of Article 29.º-H of the Portuguese Securities Code and in Regulation no. 4/2013 of the Portuguese Securities Market Commission.

7. Monitoring and supervising the effectiveness of the compliance system

The Audit Board became aware of the execution of the work in the compliance area provided for in the plan and approved the annual compliance plan, also obtaining information on the allocation of resources to compliance services.

8. Annual monitoring and assessment of the activity of the Company's External Auditor

The Audit Board, at its meeting on 7 February 2023, carried out the annual performance assessment of the External Auditor's activity, with reference to 2022, pursuant to Article 8(1)(q) and (2)(c) of the Regulations of the Audit Board.

The External Auditor's services were provided in accordance with the defined work plan and in compliance with the applicable rules and regulations. The External Auditor's performance revealed technical rigor and quality, opportunity and efficiency in the conclusions and recommendations presented.

The External Auditor confirmed to the Audit Board that it did not detect any relevant irregularities in relation to its duties and that it did not encounter any difficulties whilst carrying out its work.

During 2023, the External Auditor was present in several meetings held by the Audit Board, in which the Company's accounts and the identified audit risks were analysed, the internal control issues were debated, the annual audit plan for 2023 was reviewed and the main audit points and recommendations reported were discussed with the External Auditor.

The Audit Board exercised its function as the Company's interlocutor with the External Auditor and the recipient of the information prepared by the latter, regularly monitoring its activity, namely through the assessment of reports and documentation produced by the Statutory Auditor in the performance of its duties.

The Audit Board ensured that the External Auditor was provided with the information and other conditions appropriate to the effective performance of its activity.

As part of verifying the External Auditor's compliance with the rules regarding independence, the Audit Board monitored, during 2023, the provision of non-audit services, for which a prior opinion of the Audit Board is necessary, having analysed compliance with the associated independence requirements, the possibility of any services provided by the External Auditor and their inclusion in the legally established criteria, having confirmed that its independence was safeguarded.

In 2023, the non-audit services represented 43% of the average fees paid to the External Auditor in 2022, 2021 and 2020 for the financial audit services provided to Galp and the entities under Galp's control in the same period, below the limit of 70% established by Article 4(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (European Audit Regulation).

9. Company's transactions with related parties

Reports on transactions with related parties of Galp Group as at 30 June and 31 December 2023 were presented to the Audit Board. It evidences that transactions with related parties were carried out within the scope of Galp Group's current activity and under market conditions.

During 2023, the Audit Board analysed one transaction with related parties (prior opinion).

10. Reporting irregularities

In the course of 2023, Galp's Committee of Ethics and Conduct held several meetings with the Audit Board to report its activity regarding reporting of breaches to the Code of Ethics and Conduct. This Committee also reported several initiatives on the topic of ethics, including the promotion of the new Code of Ethics and Conduct.

As part of the fulfilment of the reporting obligation provided for in section 8 of Galp's Committee of Ethics and Conduct Regulations, this Committee presented to the Audit Board the reports on the communications received, the procedures adopted and the actions/measures proposed.

Lisbon, 5 April 2024.

Chairman

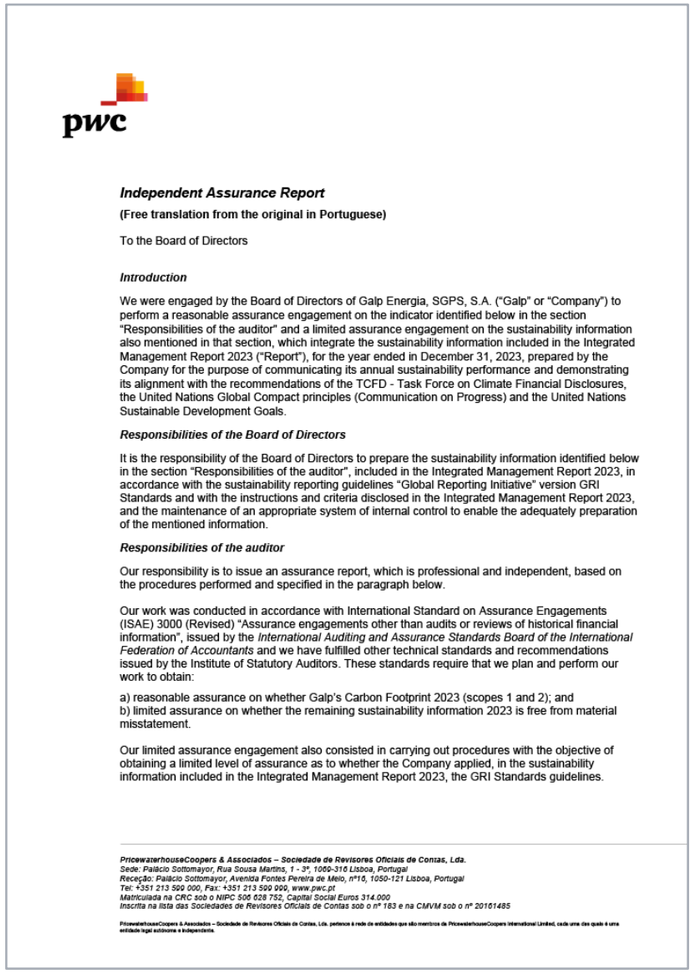
José Pereira Alves

Members

Maria de Fátima Geada

Pedro Antunes de Almeida

7. Independent report about sustainability information



Independent Assurance Report

(Free translation from the original in Portuguese)

To the Board of Directors

Introduction

We were engaged by the Board of Directors of Galp Energia, SGPS, S.A. ("Galp" or "Company") to perform a reasonable assurance engagement on the indicator identified below in the section "Responsibilities of the auditor" and a limited assurance engagement on the sustainability information also mentioned in that section, which integrate the sustainability information included in the Integrated Management Report 2023 ("Report"), for the year ended in December 31, 2023, prepared by the Company for the purpose of communicating its annual sustainability performance and demonstrating its alignment with the recommendations of the TCFD - Task Force on Climate Financial Disclosures, the United Nations Global Compact principles (Communication on Progress) and the United Nations Sustainable Development Goals.

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors to prepare the sustainability information identified below in the section "Responsibilities of the auditor", included in the Integrated Management Report 2023, in accordance with the sustainability reporting guidelines "Global Reporting Initiative" version GRI Standards and with the instructions and criteria disclosed in the Integrated Management Report 2023, and the maintenance of an appropriate system of internal control to enable the adequately preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue an assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

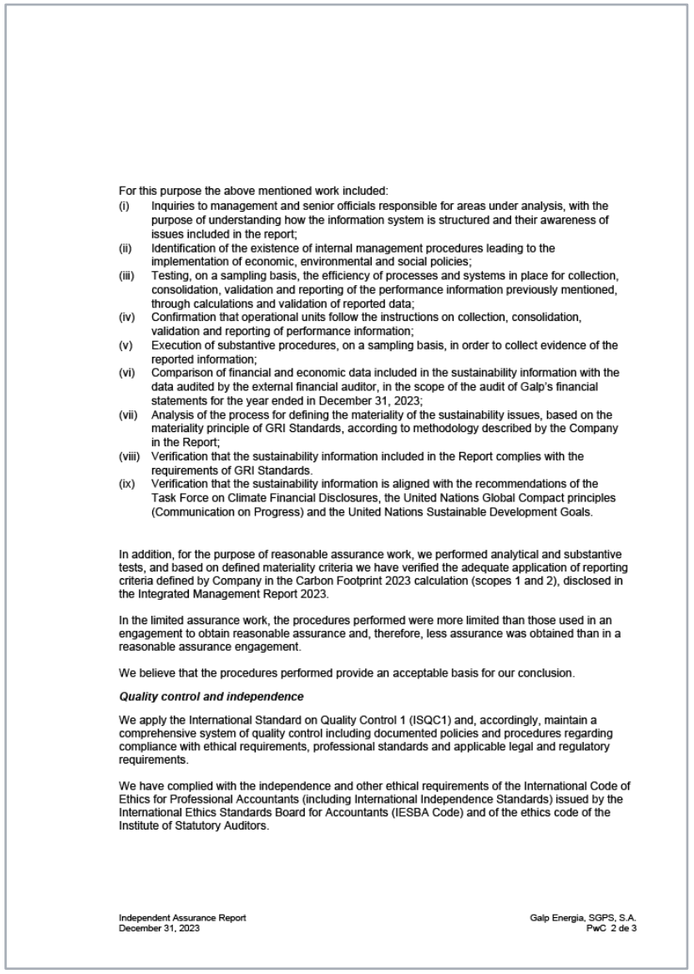
Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the *International Auditing and Assurance Standards Board of the International Federation of Accountants* and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain:

a) reasonable assurance on whether Galp's Carbon Footprint 2023 (scopes 1 and 2); and
b) limited assurance on whether the remaining sustainability information 2023 is free from material misstatement.

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Integrated Management Report 2023, the GRI Standards guidelines.

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For this purpose the above mentioned work included:

(i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
(ii) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
(iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
(iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
(v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
(vi) Comparison of financial and economic data included in the sustainability information with the data audited by the external financial auditor, in the scope of the audit of Galp's financial statements for the year ended in December 31, 2023;
(vii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
(viii) Verification that the sustainability information included in the Report complies with the requirements of GRI Standards.
(ix) Verification that the sustainability information is aligned with the recommendations of the Task Force on Climate Financial Disclosures, the United Nations Global Compact principles (Communication on Progress) and the United Nations Sustainable Development Goals.

In addition, for the purpose of reasonable assurance work, we performed analytical and substantive tests, and based on defined materiality criteria we have verified the adequate application of reporting criteria defined by Company in the Carbon Footprint 2023 calculation (scopes 1 and 2), disclosed in the Integrated Management Report 2023.

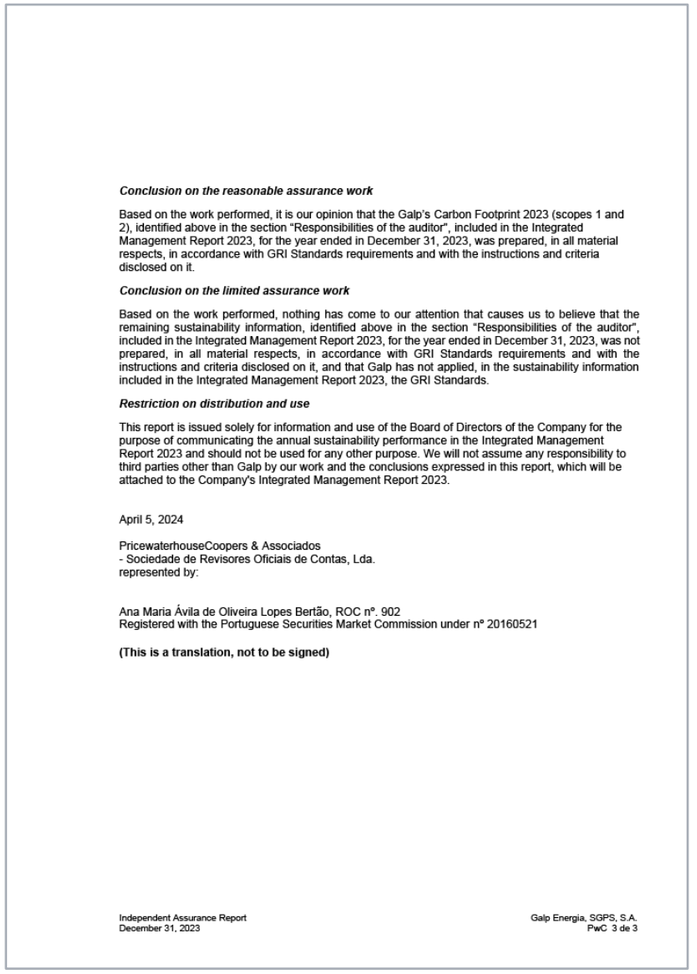
In the limited assurance work, the procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.



Conclusion on the reasonable assurance work

Based on the work performed, it is our opinion that the Galp's Carbon Footprint 2023 (scopes 1 and 2), identified above in the section "Responsibilities of the auditor", included in the Integrated Management Report 2023, for the year ended in December 31, 2023, was prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed on it.

Conclusion on the limited assurance work

Based on the work performed, nothing has come to our attention that causes us to believe that the remaining sustainability information, identified above in the section "Responsibilities of the auditor", included in the Integrated Management Report 2023, for the year ended in December 31, 2023, was not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed on it, and that Galp has not applied, in the sustainability information included in the Integrated Management Report 2023, the GRI Standards.

Restriction on distribution and use

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating the annual sustainability performance in the Integrated Management Report 2023 and should not be used for any other purpose. We will not assume any responsibility to third parties other than Galp by our work and the conclusions expressed in this report, which will be attached to the Company's Integrated Management Report 2023.

April 5, 2024

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Ana Maria Ávila de Oliveira Lopes Bertão, ROC nº. 902
Registered with the Portuguese Securities Market Commission under nº 20160521

(This is a translation, not to be signed)

8. Glossary and abbreviations

Glossary

Absenteeism

Ratio between the number of working hours lost by absence and the maximum potential of working hours (number of employees x 21 days x 11 months x 8 hours).

API density

Density expressed in API degrees, defined by the American Petroleum Institute by means of the following formula: API°= (141.5/g) – 131.5, where g is the density of the oil to 60°F (15.6 °C). This is the formula that is internationally used to establish the density of crude oil. The greater the API density, the lighter the crude oil.

Atmospheric distillation

Distillation of crude oil effected under atmospheric pressure, from which oil product fractions are produced (light oil, heavy oil, diesel fuels, and heavy products, for example). After suitable treatment, these fractions are the components of the finished products.

CO_2

Carbon dioxide, colourless gas that is heavier than air, this being one of its natural components. Produced by certain natural processes, such as the carbon cycle, and by the complete burning contained in fossil fuels.

Cogeneration

Power generation technology that allows the combined production of heat and electricity. The advantage of cogeneration is the capacity it has to take double advantage of the heat produced by burning the fuel for the generation of thermal energy for the generation of electricity. This process allows the same installation to comply with the heat (hot water or steam) and electricity needs of both industrial clients and urban settlements. This system improves the energy efficiency of the generation process and reduces the use of the fuel.

Complexity

The complexity of a refinery lies in its capacity to process crude oil and other raw materials and is measured by means of the complexity index, calculated separately by different organisations within the sector, such as energy sector consultants 360 Strategic execution Energy for a changing world To our stakeholders' Strategic framework Solomon Associates and Nelson. A refinery's complexity index is calculated by attributing a complexity factor to each one of the refinery's units, which is based above all on the level of technology used in the construction of the unit, taking as a reference a crude oil primary distillation installation, to which is attributed a complexity factor of 1.0. The complexity index of each unit is calculated by the multiplication of the complexity factor with the unit's capacity. The complexity of a refinery is equivalent to the weighted average of the complexity index of each one of its units, including the distillation units. A refinery with a complexity index of 10.0 is considered to be 10 times more complex than a refinery equipped with just crude oil atmospheric distillation, for the same quality of processed product. Contingent resources

These are quantities of oil that are estimated on a given date to be potentially recoverable from known accumulations but are not currently considered to be commercially recoverable. This may happen for a variety of reasons. For example, maturity issues (the discovery needs further appraisal in order to firm up the elements of the development plan); technological issues (new technology needs to be developed and tested for commercial production); or market-driven issues (sales contracts are not yet in place or the infrastructure needs to be developed in order to get the product to market). 2C contingent resources are those that are calculated based on the best estimate, while 3C resources correspond to the highest estimate, thus reflecting a larger level of uncertainty. Volumes that fall into this category cannot be referred to as reserves.

Conversion

Set of various treatments (catalytic or thermal) where the principal reaction is effected on the carbon connections, with this having the possibility of being more or less deep due to the conditions imposed. This process is typically associated with the conversion of fuel oils in lesser fractions (diesel, gasoline and gases) and fuel oils that are more sophisticated from the perspective of their use. In a modern refinery, these processes have assumed a growing importance.

Cracking

Transformation through a breaking down of the hydrocarbon molecules in long chains, with the objective of obtaining hydrocarbon molecules in shorter chains, thus increasing the proportion of lighter and more volatile products. Distinguishing between thermal cracking and catalytic cracking. Thermal cracking is only caused by the actions of heat and pressure. Catalytic cracking uses catalysers that, at the same temperature, allow a deeper and more selective transformation of fractions that could be heavier.

Dated Brent

Price of shipments of Brent oil as announced by the price fixing agencies. This is the reference price for the vast majority of crude oils sold in Europe, Africa and the Middle East, and is one of the most important references for the prices on the spot market. Dated Brent oil is the light crude oil from the North Sea that, since July 2006, has

included the Fortis and Oseberg branches. The crude mix has an average API density of approximately 38.9°.

Diesel

A mix of liquid hydrocarbons destined for feeding compression ignition engines (Diesel cycle). The behaviour of diesel fuel depends on the temperatures at which it is used.

Distillation

A method for separating (liquid or solid) substances by evaporation followed by condensation. Distillation may take place under atmospheric pressure or in a vacuum, depending on what products are desired. This process produces distillates.

Emissions

Release of gases into the atmosphere. Within the context of climate change, the emissions include the release of greenhouse gases (GHG). A typical example is the release of CO_2 during the combusting of fuels.

Direct emissions (A1)

GHG emissions from sources that are owned or controlled by the Company. This category includes emissions from combustion in boilers or furnaces located in facilities owned by the Company or the fuel combustion from the Company's fleet vehicles, among others.

Indirect emissions (A2)

GHG emissions from the purchase of electricity, cold, heat or steam produced by other companies.

Indirect emissions (A3)

GHG emissions are an indirect consequence of the activities of the Company but occur from sources not owned or controlled by the Company. This category includes emissions from activities related to the use of sold products, transportation, business travels, and logistics, among others.

FPSO

A floating, production, storage and offloading unit is a floating oil production system, built on a ship structure, with a capacity for oil and natural gas production processing, liquid storage and transfer of oil to tankers.

FLNG

Floating natural gas liquefaction system, built on a ship structure, with a capacity for production, liquefaction and storage of liquefied natural gas. The stored product is exported through the transfer to LNG vessels.

Fuel oil

A mix of hydrocarbons destined to be burnt in a furnace or boiler for the generation of heat or used in an engine for the generation of power. There are various types of fuel oil, due to its viscosity, which conditions their use.

Gasoline

Fuel for automobiles equipped with motors that use the Otto cycle. This should comply with precise specifications concerning its physical and chemical qualities, of which the most important is resistance to self-inflammation.

Hydrocracking

Process of cracking with the use of hydrogen and under the action of catalysts that allows the conversion of less valuable, high boiling-point oil fractions into lighter, more valuable fractions. The hydrogen allows working at lower temperatures and greater selectivity and, therefore, produces better results. The products from the reaction are saturated compounds, which provide them with important stability qualities.

Jet fuel

Fuel for jet motors used in aviation

Liquefied natural gas (LNG)

Natural gas that is changed into its liquid state to enable transportation. Liquefaction is performed by a reduction in the temperature of the gas, to atmospheric pressure, to amounts of less than -160°C. The volume of the LNG is approximately 1/600 of the volume of natural gas.

Liquefied Petroleum Gas (LPG)

Gaseous hydrocarbons, under normal conditions of temperature and pressure, and liquids, by raising the pressure or reduction of temperature, which can legally be transported and stored. The most common are propane and butane.

Lubricants

Products obtained by mixing one or more base oils and additives. This process obeys specific formulas due to the use of the lubricant. The percentage of additives in the lubricating oils reaches 40%. The lubricating oils have three main uses: automobiles, industry and marine.

Naphtha

Oil product fraction that is located between gases and oil. This is also a raw material in the petrochemical industry, from which cracking provides a large variety of products. This can also form part of the composition of engine gasoline (light naphtha) or, in the case of heavy naphtha, serve as a raw material for the production of reformate.

Natural gas

Mix of light hydrocarbons found in the subsoil, in which methane is present at a percentage of more than 70% volume. The composition of natural gas may vary depending upon the field in which it is produced and the processes of production, conditioning, processing and transport.

Net entitlement production

The production percentage of the rights for the exploration and production of hydrocarbons in a concession following production-sharing agreements.

Prospective resources

Quantities of oil that have, on a certain date, been estimated as potentially recoverable from undiscovered accumulations through future development projects. The estimation of a prospect's resources is subject to both commercial and technological uncertainties. Risked mean estimates prospective resources have a higher implied recovery probability than unrisked mean estimate resources. The quantities classified as prospective resources cannot be classified as contingent resources or reserves.

Proven reserves (1P)

Under the definitions approved by the SPE and the WPC, proven reserves are those quantities of oil which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations.

If deterministic methods are used, the expression "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The definition of current economic conditions should include relevant historical oil prices and associated costs. In general, reserves are considered proven if the commercial productivity of the reservoir is supported by actual production or formation tests. In this context, the term "proven" refers to the actual quantities of oil reserves and not just the productivity of the well or reservoir. The area of the reservoir considered as proven includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) the undrilled portions of the reservoir that can reasonably be judged as commercially productive on the basis of available geological and engineering data. Reserves may be classified as proven if facilities to process and transport those reserves to market are operational at the time of the estimate or there is a reasonable expectation that such facilities will be installed.

Proven and probable reserves (2P)

2P reserves correspond to the sum of proven (1P) and probable reserves. Under the definitions approved by the SPE and the WPC, probable reserves are a category of unproven reserves. Unproven reserves are based on geological or engineering data similar to those used in estimates of proven reserves but in relation to which technical, contractual, economic or regulatory uncertainties preclude such reserves from being classified as proven. Probable reserves are those quantities of oil that, by analysis of geological and engineering data, have a lower probability of being recovered than the proven reserves, but higher than the possible reserves.

If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the 2P estimate.

Proven, probable and possible reserves (3P)

3P reserves correspond to the sum of proven, probable and possible reserves. Under the definition approved by the SPE and the WPC, possible reserves are a category of unproven reserves. Unproven reserves are based on geological or engineering data similar to those used in estimates of proven reserves but in relation to which technical, contractual, economic or regulatory uncertainties preclude such reserves from being classified as proven. Possible reserves have a lower probability of being recovered than probable reserves. If probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the 3P estimate.

Refinery

The installation where the industrial processes designed to transfer the crude oil into products adapted to the needs of the consumers (fuels, lubricants, bitumen, etc.) or into raw materials for other so-called" second generation" industries (for example, the petrochemical industry).

Renewable energy

Energy that is available from permanent and natural energy conversion processes and is economically exploitable under present conditions or in the foreseeable future.

Replacement Cost (RC)

According to this method, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by the Portuguese IFRS and is consequently not adopted for valuing inventories. This method does not reflectthe cost of replacing other assets.

Replacement Cost Adjusted (RCA)

In addition to using the replacement cost method, RCA items exclude non-recurring events such as capital gains or losses on the disposal of assets, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its regular operational performance.

Seismic

Seismic acquisition involves the generation (source) and recording (receiver) of seismic data. A source, such as a vibrator unit, dynamite shot, or an air gun, generates acoustic or elastic waves that travel into the Earth, passe through strata with different seismic responses and filtering effects, and return to the surface to be recorded as seismic data. The receiver may include different configurations, including laying geophones or seismometers on the surface of the Earth or seafloor, pulling hydrophones behind a marine seismic vessel, suspending hydrophones vertically in the sea or placing geophones in a wellbore (as in a vertical seismic profile) to record the seismic signal.

Social Return on Investment (SROI)

Cost-benefit analysis of the social value generated by the intervention of an organisation. This social impact assessment tool compares the social value generated by the intervention with the necessary expense for this benefit through a ratio between the net present value of the benefits and the net present value of the investment.

Solar energy

Renewed and sustainable energy source, proven by the sun's light and heat, which is harnessed and used by means of different technologies, mainly as solar heating, solar photovoltaic energy, heliothermic energy and solar architecture.

Spot market

The name, relating to products such as oil, used to describe the international commerce of products shipped in single cargos, such as crude oil, the prices of which closely follow the respective demand and availability.

Storage facility

Installation used by principal and collector pipeline companies, producers of crude oil, and terminal operators (except refineries) for storage of crude oil and oil products.

Wind farm

Group of wind turbines for the production of electrical energy interlinked by a common network by means of a system of transformers, distribution lines and, usually, a substation. The functions of exploration, control and maintenance are normally centralised by means of a monitored IT system, which is complemented by visual inspections.

Wind power

Kinetic energy – that is, energy that is generated by a movement that is obtained by displacement of the air, or in other words, wind. This can be converted into mechanical energy for the enactment of pumps, mills and electrical energy generators.

Working interest production

The production percentage of the rights for exploration and production of hydrocarbons in a concession before the effect of production-sharing agreements.

Abbreviations and acronyms

%: percentage

@: at

3D: three dimensions

4D: four dimensions

oC: Celsius

ACS: Actividades de Construccion Y Servicios S.A.

ACT: Assessing Low-Carbon Transition initiative

AIP: Production Individualisation Agreements

AGM: Annual General Shareholders' Meeting

AI: artificial intelligence

Amorim Energia: Amorim Energia, B.V.

APCER: Associação Portuguesa de Certificação (Portuguese Association of Certification)

ANP: Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (Brazilian energy sector regulator)

ANPG: Agência Nacional de Petróleo, Gás e Biocombustiveis (Angolan energy sector regulator)

ANP-SPT: National Petroleum Agency of São Tomé and Príncipe

APEE: The Association of Private Enterprise Education

API: American Petroleum Institute gravity

B2B: Business to Business

B2C: Business to Consumer

BAP: Biodiversity Action Plan

b.p.: basis points

bbl: barrel of oil

BBLT: Benguela, Belize, Lobito and Tomboco

bcm: billion cubic metres

BCSD: Business Council for Sustainable Development

BGI: Building Global Innovators

BIOREF: Collaborative Laboratory for Biorefineries

bn: billion

BoD: Board of Directors

boe: barrel of oil equivalent

BRL (or R$): brazilian reais

BSEE: Bureau of Safety and Environmental Enforcement

BU: Business Units

B&P: Budget & Plan

c.: circa

CC: Corporate Centre

CCGT: Combined Cycle Gas Turbine

C&L: consumptions and losses

CCS: carbon capture and storage

CCUS: carbon capture, utilisation and storage

CDP: Carbon Disclosure Project

CEC: Ethics and Conduct Committee

CEO: Chief Executive Officer

CESE: Energy Sector Extraordinary Contribution (Portugal)

CFFO: cash flow from operations

CFO: chief financial officer

CGA: Cognitive Geoscience Advisor

CGR: condensate to gas ratio

CGU: cash generating unit

CH_4: methane

CITE: Comissão para a Igualdade no Trabalho e no Emprego (Commission for Equality in Labour and Employment)

CLC: Companhia Logística de Combustíveis, S.A.

CLC GB: Companhia Logística de Combustíveis Guiné Bissau, S.A.

CLCM: Companhia Logística de Combustíveis da Madeira, S.A.

CMVM: Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Regulator)

CNG: compressed natural gas

CNPD: Comissão Nacional de Proteção de Dados

CO_2: carbon dioxide

CO_2e: carbon dioxide equivalent

COFINS: contribution to social security financing

CONCAWE: Conservation of Clean Air and Water in Europe

COO: chief operating officer

COP15: Conference of the Parties for the Convention on Biological Diversity

COSO: Committee of Sponsoring Organisations of the Treadway Commission

CPO: Charging Point Operators

CRO: Chief Risk Officer

CSC: Commercial Law (Código das Sociedades Comerciais)

CSIRT: CyberSecurity Incident Response Team

CSRD: Corporate Sustainability Reporting Directive

CTA: cumulative translation adjustment

CTI: Circular Transition Indicators

CURG: last-resort wholesaler distributors

CURR: last-resort retailers marketers

CVM: Portuguese securities code

CWT: complexity weighted tonne

d: day

DCF: discounted cash flow

DD&A: Depreciation, Depletion, and Amortisation

DE&I: Diversity, Equity and Inclusion

DGS: Direção Geral de Saúde (portuguese national health entity)

DJSI: Dow Jones Sustainability Index

DSIC: Dalian Shipbuilding Industry Corporation

DST: drill stem test

DSU: debt service undertaking

E: Estimate

E&P: Exploration & Production

Ebit: earnings before interest and taxes

Ebitda: earnings before interest, taxes, depreciation and amortisation

EC: Executive Committee

EDP: Energias de Portugal, S.A.

EEZ: Exclusive Economic Zone

EI: Energia Independente

EIA: environmental impact assessment

EIP: European Impact Partners

EIT: European Institute of Innovation & Technology

ELLA: Energy Lean & Live Advisor

EMPL: Europe-Maghreb Pipeline

EMTN: Euro Medium Term Note

EMV: Expected Monetary Value

ENH: Empresa Nacional de Hidrocarbonetos (National Hydrocarbons Company of Mozambique)

Eni: Eni, S.p.A.

EOI: Expression of Interest

EPCI: Engineering, Procurement, Construction and Installation

EQS: Environment, Quality and Safety

ERM: Enterprise Risk Management

ERM&IC: Enterprise Risk Management and Internal Control

ERSE: Entidade Reguladora dos Serviços Energéticos (Portuguese energy market regulator)

ERU: emission reduction units

ESCO: energy service company

ESG: Environmental, social and governance

ESHIA: Environmental, Social and Health Impact Assessment

ESIAS: Environmental and Social Impact Assessments

EU: European Union

EU ETS: European Union Emissions Trading System

EUA: emission unit allowances

EUR (or €): Euro

EV: Electric Vehicles

EWT: extended well test

FAME: fatty acid methyl ester

FASB: Financial Accounting Standards Board

FCC: fluid catalytic cracking

FCF: free cash flow

FCP: Fast charging points

FEED: front-end engineering design

FID: final investment decision

FLNG: floating, liquefied natural gas unit

FPSO: floating, production, storage and offloading unit

FSB: Financial Stability Board

FUNAE: Fundo Nacional de Energia (Mozambique)

FX: exchange rate

g: grams

G&A: general and administrative

G&G: geological and geophysical studies

Galp: Galp Energia, SGPS, S.A., Company, Group or Corporation

GDP: Gross domestic product

GDP: Gás de Portugal, SGPS, S.A.

GDPR: General Data Protection Regulation

GGND: Galp Gás Natural Distribuição, S.A.

GHG: greenhouse gases

GRI: Global Reporting Initiative

GVA: Galp Added Value

Gtoe: giga tonne of oil equivalent

GW: gigawatt

GWh: gigawatt-hour

GWp: gigawatt-peak

h: hour

H2: hydrogen

HSE: Health, Safety and the Environment

HVO: hydrogenated vegetable oil

IAS: International Accounting Standards

IASB: International Accounting Standards Board

IASC: International Accounting Standards Committee

IBAT: Integrated Biodiversity Assessment Tool

IBM: International Business Machines Corporation

IC: Internal Control

ICE: Intercontinental Exchange

ICE: Internal Combustion Engine

IFA: Accident Frequency Index

IFAT: Total Accident Frequency Index

IFRIC: International Financial Reporting Interpretation Committee

IFRS: International Financial Reporting Standards

IGEN: Business Forum for Equality

IIA: The Institute of Internal Auditors

IIRC: International Integrated Reporting Council

IMO: International Maritime Organisation

IMPEL: Integrated Water Approach and Urban Reusz

IMS: Integrated Management System

IOC: International Oil Company

IOGP: International Association of Oil and Gas Production

IPCEI: Important Project of Common European Interest

IPCG: Portuguese Institute of Corporate Governance

IPIECA: Global Oil and Gas Industry Association for Environmental and Social Issues

IRC: corporate income tax

IRP: oil income tax (Angola)

ISIN: International securities identification number

ISO: International Organisation for Standardisation

ISP: Portuguese Tax on Oil Products (Imposto sobre Produtos Petrolíferos)

IsPG: Instituto do Petróleo e Gás (Brazilian Institute of Oil and Gas)

ISQ: Instituto de Soldadura e Qualidade

IT: Information Technology

IUCN: International Union for Conservation of Nature

JDZ: Joint Development Zone

JV: joint venture

k: thousand/thousands

kbbl: thousand barrels of oil

kboepd: thousand barrels of oil equivalent per day

kbpd: thousand barrels of oil per day

kg: kilogram

km/km^2: kilometres/square kilometres

Kosmos: Kosmos Energy

KRI: Key Risk Indicators

Kton/kt: thousand tonnes

LDAR: Leak detection and repair

LNG: liquefied natural gas

LPG: liquefied petroleum gas

LRO: local risk officer

LTIF: Lost Time Injury Frequency

LTIFR: Long Term Injury Frequency Rate

m: million

m^3: cubic metres

M&A: mergers and acquisitions

MaaS: Mobility as a Service

mboe: million barrels of oil equivalent

mbpd: million barrels of oil per day

mbtu: million British thermal units

mbbl: million barrels of oil

mscf: millions of cubic feet

MIBEL: Mercado Iberico de electricidade

MJ: Megajoules

mm^3: million cubic metres

MPDP: Market Production Data Platform

MRV: Mozambique Rovuma Venture S.p.A.

MTM: mark-to-market

mton/mt: million tonnes

mtpa: million tonnes per annum

MW: megawatt

MWh: megawatt-hour

MWp: megawatt-hour

n.m.: not meaningful

NAMPOA: Namibia Petroleum Operators Association

NAMCOR: National Petroleum Corporation of Namibia

NCP: Normal charging points

NE: net entitlement

NG: natural gas

NGDO: Non-governmental development organisations

NHS: National health service

NO_x: Nitrogen oxides

NPV: Net Present Value

O&G: Oil & Gas

OCF: Operational Cash Flow

OECD: Organisation for Economic Cooperation and Development

OHSAS: Occupational Health and Safety Assessment Services

OKR: Objective Key Result

OMEL: spot market Iberian electricity market

OMIP: forward market Iberian electricity market

op.: operator

OTC: over-the-counter

OU: organisational units

p.a.: per annum

p.p.: percentage points

Parpública: Parpública – Participações Públicas, SGPS, S.A.

PCR: polymerase chain reaction

Petrobras: Petróleo Brasileiro, S.A.

Petrogal: Petróleos de Portugal – Petrogal, S.A.

PIA: production individualisation agreement

PoD: Plan of Development

POS: Probability of Geological Success or probability of success

PPA: purchase power agreement

PPSA: Pré-Sal Petróleo S.A.

PSA: production sharing agreement

PSC: production sharing contracts

PSI-20: Portuguese stock market reference index

PV: Photovoltaic

PwC: PricewaterhouseCoopers

PWN: Lisbon's Professional Women's Network

R&D: Research & Development

R&M: Refining & Midsream

R&NB: Renewables & New Businesses

RAB: regulatory asset base

RC: replacement cost

RCA: replacement cost adjusted

RDA: Reservoir Data Acquisition

RED: Renewable energy directive

REN: Redes Energéticas Nacionais, SGPS, S.A.

ROACE: Return on capital employed

ROC: statutory auditor

ROI: return on investment

S: sulfur

S4G: Supply 4 Galp

SaaS: Software as a Service

SAF: Sustainable Aviation Fuel

SASB: Sustainability Accounting Standards Board

SDG: Sustainable Development Goals

SDS: sustainable development scenario

SGPS: Sociedade Gestora de Participações Sociais (Holding company)

SIC: Standing Interpretation Committee

SO_2: Sulfur dioxide

SPPI: Solely Payments of Principal and Interests

STP: São Tomé and Príncipe

SPT: Special Participation Tax (Brazil)

STEPS: Stated Policies Scenario

SROC: firm of statutory auditors

SURF: subsea, umbilical, risers e flowlines

SXEP: STOXX Europe 600 Oil & Gas Index

tcf: trillion cubic feet

TCFD: Task Force on Climate-related Financial Disclosure

TJ: terajoule

TL: Tomboa-Landana

toe: tonne of oil equivalent

tonCO_2/tCO_2: tonnes of carbon dioxide

tonCO_2e/ tCO_2e: tonnes of carbon dioxide equivalent

ton/t: tonne

ToR: Transfer of Rights

TPED: total primary energy demand

TRIR: Total Recordable Injury Rate

TSR: total shareholder return

TTF: title transfer facility

TVI: Televisão Independente (Independet television)

TWh: terawatt-hour

U.S.A.: United States of America

U.K.: United Kingdom

UN: United Nations

UNESCO: United Nations Educational, Scientific and Cultural Organisation

UNGC: United Nations Global Compact

Up: Upcoming energies

URD: distribution network use

USSR: Union of Soviet Socialist Republics

URT: transportation network use

USD (or $): United States Dollar

V2G: Vehicle-to-Grid

Var.: variation

VAT: value added tax

VLSFO: very low sulphur fuel oil

VOC: volatile organic compounds

VUCA: Volatility, Uncertainty, Complexity, Ambiguity

WAC: weighted average cost

WACC: weighted average cost of capital

WBCSD: World Business Council For Sustainable Development

WEF: World Economic Forum

WHO: World Health Organisation

WI: working interest

WRI: World Resources Institute

wt: weight

WWF: World Wildlife Fund

YoY: year-on-year